Why Do Juries Decide If Patents Are Valid?¹Mark A. Lemley²

The jury trial is a fixture of modern patent litigation. Lawyers, scholars, and judges take for granted that when a patent case goes to trial, that trial will almost always be before a jury.³ And that jury will decide most, though not all, of the significant issues in dispute – including whether the patent is valid. The dynamics of the jury system drive both the structure of patent litigation and its outcome. Jurors are more likely than judges to rule for patentees. Lay jurors are reluctant to second-guess the Patent and Trademark Office (PTO) and invalidate a patent the PTO has issued. And the fact that the parties are gearing up for a jury trial affects both the high cost of patent litigation, the structure of pretrial proceedings, and the willingness of the parties to settle and on what terms.

This regime is built on an uncertain foundation. For while patent lawyers take for granted the power of the jury to decide whether the PTO made a mistake in issuing a patent, the role of the jury in patent cases is a recent and unusual phenomenon with a murky history.

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³ I reviewed all 840 patent trials held in the United States between January 1, 2000 and June 30, 2011, using data collected from Lex Machina. Of those, 601, or 72%, were jury trials. Many of the remainder were pharmaceutical cases in which no damages were at stake and therefore no right to a jury trial. See Mark A. Lemley, *Rush to Judgment: Trial Times and Outcomes in Patent Cases*, __ AIPLA Q.J. __ (forthcoming 2013).

After all, we don't normally ask juries to review the decision of an administrative agency, at least outside the criminal enforcement context. The Administrative Procedure Act presupposes that judges, not juries, review agency decisions.⁴ The Supreme Court has held that there is no constitutional right to jury review of administrative agency decisions.⁵ And as the Supreme Court held in 1999, the PTO is an administrative agency subject to the normal rules of the Administrative Procedures Act.⁶

The result is a puzzle. Why do we assume that juries will review PTO decisions when we don't do so in other areas of law? The answer can't be that "we've always done it that way," because that's not true. For much of American history, and as recently as 40 years ago, less than 5% of patent trials were before juries at all. Indeed, even today we don't always let juries determine patent validity; validity can be determined in a bench trial in a number of instances, and by administrative agencies with no trial at all in still others.

Perhaps the answer is "the Seventh Amendment requires it because we did it that way in 1791,"⁷ though – surprisingly – no precedential opinion has ever resolved this question. But as I show in this article, the history is rather more complicated. Juries did evaluate the validity of some (though by no means all) patents in the 18th century, but they didn't review the work of an administrative agency in the sense they do today. Further, a jury's determination that a

⁴ Administrative Procedure Act, 5 U.S.C. §706.

⁵ *Cox v. United States*, 332 U.S. 442, 453 (1947); *Atlas Roofing Co. v. OSHA*, 430 U.S. 442 (1977).

⁶ *Dickinson v. Zurko*, 527 U.S. 150 (1999).

⁷ The Seventh Amendment provides that "In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law," and accordingly courts considering whether the Seventh Amendment compels a jury trial have asked whether the cause of action and remedy are ones that courts in England in 1791 would have tried to a jury. See *infra* Part I.A.

patent was invalid simply provided a personal defense to infringement; it didn't mean (as it does today) that the patent was nullified.⁸ Indeed, judgments that a patent was invalid as to everyone were the province of the writ of *scire facias*, which required petitioning the King or, in one early American case, Congress. *Scire facias* actions were conducted in chancery, not law, courts, though they were treated as actions at law.

Curiously, while the right to a jury trial on patent validity issues is widely assumed, there is in fact no solid support in modern case law for such a right. The one case to hold that there was such a right, the Federal Circuit panel opinion in *In re Lockwood*,⁹ drew a sharp dissent from three members of the appellate court, was taken on certiorari by the Supreme Court, and was then vacated by that Court after the patentee withdrew its jury trial demand rather than face Supreme Court review. Nonetheless, both courts and lawyers have based two decades of practice on that uncertain foundation. The resulting practice is a hybrid one that is hard to link to any historical practice. I argue that the time is ripe for Supreme Court review of the putative right to have a jury decide whether patents are valid. When the Court does take the case, it is unlikely to find such a right to exist in the broad form lawyers and judges currently assume, though how the Court will rule may depend on the lens it uses to think about the Seventh Amendment.

A patent system without a right to jury trial on validity would look rather different than it does today. Many of those changes would be desirable. Litigation would be simpler in some respects, and outcomes might look rather different. And while it is probably unthinkable to

⁸ See *Blonder-Tongue Labs. v. Univ. of Ill. Found.*, 402 U.S. 313 (1971).

⁹ 50 F.3d 966 (Fed. Cir. 1995).

most patent lawyers that many patent cases would be tried to judges rather than juries, the facts that we decided patent cases without juries for most of our history, that no other country in the world (even England) uses juries to decide patent validity, and that we have developed a number of administrative patent revocation mechanisms that parallel the jury system, all suggest that the patent system can and will survive in a world without jury trials on validity. If, on the other hand, the Court decides there is a constitutional right to have juries decide validity, today's courts are not applying it broadly enough, and many of the things we treat as equitable would have to be tried to juries.

Because the right to a jury trial is a function of English legal practice at the founding of the Republic, I begin in Part I by reviewing the treatment of patent validity in England in the late 18th Century, the period that matters to Seventh Amendment courts. Part II considers the practice in the United States, noting the early divergence between English and U.S. practice. Part II also explores the period from 1836 to 1938, the period during which both the modern patent system and the modern administrative state came into being and in which juries essentially disappeared from the patent landscape. It then turns to the changes that have occurred since the merger of law and equity in 1938, including the quite recent rise of the jury in patent cases, and the surprising dearth of cases considering whether there is a constitutional right to a jury trial on patent validity. Finally, in Part III I consider how the Supreme Court might decide the issue in light of this history, what a decision in either direction would mean for patent practice, and what the decision would tell us about how to understand the Seventh Amendment.

I. The Jury's Role in Evaluating Patent Validity at the Time of the Founding.

A. Why Do We Care What Courts Did in England 230 Years Ago?

Before I delve into the history of jury trials in patent cases, it is worth asking why we should care. The answer lies in the Seventh Amendment, which provides: "In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved."¹⁰ The term "preserved" has been interpreted by the Supreme Court to require historical inquiry into what the practice was at common law in 1791, when the amendment was passed. As the Supreme Court put it in *Baltimore & Carolina Line v. Redman*, "[t]he right of trial by jury thus preserved is the right which existed under the English common law when the Amendment was adopted."¹¹ This is not simply a matter of constitutional originalism – a desire to be faithful to the intent of the founders. Rather, the Court views the Seventh Amendment right to a jury trial as affirmatively based on history, and hence unchanging in a sense different than other constitutional provisions. The relevant question is what existed to be "preserved" in 1791.¹²

In determining whether the Constitution requires a matter be tried to a jury, the Court asks

first, whether we are dealing with a cause of action that either was tried at law at the time of the Founding or is at least analogous to one that was. If the action in question belongs in the law category, we then ask whether the particular trial

¹⁰ U.S. Const., 7th am.

¹¹ *Baltimore & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 657 (1935). See also *Curtis v. Loether*, 415 U.S. 189, 193 (1974) ("[T]he thrust of the [Seventh] Amendment was to preserve the right to jury trial as it existed in 1791.").

¹² *United States v. Wonson*, 28 F. Cas. 745, 750 (No. 16,750) (CC Mass. 1812) (Story, J.). For discussion of this historical test, see, e.g., Wolfram, *The Constitutional History of the Seventh Amendment*, 57 *Minn. L. Rev.* 639, 640-643 (1973); Daryl A.H. Miller, *Text, History, and Tradition: What the Seventh Amendment Can Teach Us About the Second*, 122 *Yale L.J.* 852 (2013).

decision must fall to the jury in order to preserve the substance of the common law right as it existed in 1791.¹³

Several facts about this inquiry are notable for our purposes. First, the question is what courts *in England* did at the time of the founding, not necessarily what state or federal courts in the new United States did in the early days of the Republic. While early U.S. practice is relevant because it may shed light on the norms that prevailed in England, and because courts at the time generally thought they were elucidating a single natural law, it was the English jury trial that the Seventh Amendment sought to preserve.¹⁴ As we will see, English and American patent practice diverged in important respects soon after 1791, so the focus on English practice is significant.

Second, courts in England in 1791 were divided between courts of law and courts of equity. Only courts of law could convene juries; equity or Chancery courts had no power to do so.¹⁵ Thus, the right of jury trial the Seventh Amendment preserved “in suits at common law” was only applicable to causes of action that were tried in England in the law courts in 1791. Some actions in England were entirely legal, and others were entirely equitable. But for a number of actions, plaintiffs could proceed either in law or in equity, depending on what sort of

¹³ Markman v. Westview Instruments, 517 U.S. 370 (1996).

¹⁴ Granfinanciera S.A. v. Nordberg, 492 U.S. 33, 41-42 (1989); Tull v. United States, 481 U.S. 412, 417-18 (1987); *Baltimore & Carolina*, 295 U.S. at 657, Dimick v. Schiedt, 293 U.S. 474, 476 (1935). For discussion outside the patent context, see Patrick Devlin, *Jury Trial of Complex Cases: English Practice at the Time of the Seventh Amendment*, 80 **Colum. L. Rev.** 43, 75 (1980); James Oldham, *On the Question of a Complexity Exception to the Seventh Amendment Guarantee of Trial by Jury*, 71 **Ohio St. L.J.** 1031 (2010).

¹⁵ Indeed, in instances when an English Chancery court wished to convene a jury to provide an advisory verdict, it had to suspend the chancery proceedings, request that the King’s Bench (a law court) summon a jury, and then have the King’s Bench remand the case to chancery to deliver a judgment. See **Lord Coke’s First Institute of the Laws of England** 328 n.D (J.H. Thomas ed., London, S. Brooke 1818); **Lord Coke’s Fourth Institute of the Law of England** 80; 1 William Holdsworth, **A History of English Law** 452 96th ed. 1938).

remedy they sought: damages (awardable only in law) or an injunction (awardable only in equity). The matter is even more complicated than that, because the English equity courts – the courts of chancery – had some subsidiary jurisdiction over legal matters as well. Thus, not only the nature of the action asserted but also the court in which it was filed and the remedy sought would determine whether an action was one at common law in England in 1791. The United States, by contrast, did not divide the federal courts into separate law and equity benches, though federal judges would sit either in law or in equity, not both, for much of the Nineteenth Century.

Finally, as the Court noted in *Markman*, the relevant question for Seventh Amendment purposes is not merely whether an action was tried in the law courts in England in 1791, nor even just the nature of the remedy sought, but whether the particular issue presented was one the court deemed necessary to be decided by the jury in order to preserve the substance of the jury trial right. Accordingly, as the Supreme Court has noted, “[t]he Seventh Amendment question depends on the nature of the *issue* to be tried rather than the character of the overall action.”¹⁶

While *Markman* expresses an historical view based on the law-equity distinction, that is far from the only basis on which the Supreme Court has decided Seventh Amendment cases. Elsewhere, the Court has suggested a second distinction: it may be the nature of the remedy, rather than the nature of the action, that determines the issue.¹⁷ *Markman* suggests that a third distinction – whether a question is one of law or of fact – may also play a significant role in

¹⁶ Ross v. Bernhard, 396 U.S. 531, 538 (1970) (emphasis added).

¹⁷ Tull v. United States, 481 U.S. 412 (1987).

the analysis, since cases that presented purely legal rather than factual issues were not generally given to juries even if they were argued in the law courts.¹⁸ Finally, the Seventh Amendment analysis seems to turn on a fourth issue – whether the rights at issue are public or private rights. A jury trial is not required where public rights are at issue, which may explain why administrative agency decisions are not traditionally subject to a jury’s review.¹⁹

The result is a bit of a judicial hodgepodge, in which the issue presented, the remedy sought, the court in which it was traditionally sought in England, whether the question is one of fact or law, and the public interest in the outcome all play a role at various times and in various cases.

B. English Patent Practice Before the Revolution

Invention patents in England originated in the 1500s as a means for the Crown to lure immigrants with desirable skills to England by offering them an open letter of privilege from the Crown.²⁰ Patents in this period were not granted merely to new inventions, or even to ideas newly imported from elsewhere. Particularly during the reign of James I, exclusive patent rights were granted to favored merchants for a wide variety of common arts, including the making of

¹⁸ *Markman v. Westview Instruments*, 517 U.S. 370 (1996).

¹⁹ *Atlas Roofing Co. v. OSHA*, 430 U.S. 442 (1977); *Granfinanciera S.A. v. Nordberg*, 492 U.S. 33, 41-42 & n.4 (1989) (“If a claim that is legal in nature asserts a ‘public right’ . . . then the Seventh Amendment does not entitle the parties to a jury trial if Congress assigns its adjudication to an administrative agency or specialized court of equity. The Seventh Amendment protects a litigant’s right to a jury trial only if a cause of action is legal in nature and it involves a matter of ‘private right.’”).

²⁰ See, e.g., Ramon A. Klitzke, *Historical Background of the English Patent Law*, 41 *J. Pat. Off. Soc’y* 615, 624 (1959) (patents were like passports granted to productive foreigners in the sixteenth century); Adam Mossoff, *Rethinking the Development of Patents: An Intellectual History, 1550-1800*, 52 *Hastings L.J.* 1255 (2001) (same). Indeed, the term “letters patent” derives from the Latin “pateo” or “patere,” meaning “to lie open,” a reference to the public nature of the granting document.

playing cards²¹ and the running of taverns.²² Royal favor rather than inventive acumen drove the grant of patents during the late sixteenth and early seventeenth century.²³

Abuses of the patent right were common during that period. One curious case involved Mompesson and Mitchell, who held the exclusive patent for making gold and silver lace. After Parliament heard complaints of their abuses – which included making inferior lace from copper and seeking imprisonment of infringers who actually made real gold lace – the King revoked the patent and the House of Lords punished Mompesson and Mitchell.²⁴ This was one of the abuses that led Parliament to pass the Statute of Monopolies of 1624, outlawing most patents and other exclusive privileges but excepting those of patents for invention.²⁵

Consistent with the idea that patents were royal grants of privilege,²⁶ only the King had the power to revoke the patent during this period. Neither Parliament nor the courts could do so.²⁷ That remained true even after the enactment of the Statute of Monopolies. Most of the

²¹ Darcy v. Allen, 77 Eng. Rep. 1260 (K.B. 1603).

²² Robert P. Merges & John F. Duffy, Patent Law and Policy 5 (5th ed. 2011).

²³ For a discussion of this history and how it began to change, see Mossoff, *supra* note ____.

²⁴ The case is reported in Lewis Edmunds, **The Law and Practice of Letters Patent for Inventions** 7-8 (London: Stevens & Sons 1890). As Edmunds reports it, after the King revoked the patent, “[t]he Lords confiscated the estate of Mompesson, who had escaped, and degraded him of his knighthood. Mitchell was also degraded, fined 1,000 [pounds], carried through the streets of London on a horse, with his face to the tail, and imprisoned for life.” *Id.*

²⁵ Great Britain, Statutes at Large, 21 Jac. 1, ch. 3, §6 (1623).

²⁶ William M. Hindmarch, A Treatise on the Law Relative to Patent Privileges for the Sole Use of Inventions 3 (London: McKinley & Lesco 1847) (“inventors are never entitled as of right to letters patent . . . but they must obtain them from the Crown by petition, as a matter of grace and favor”).

²⁷ Thus, the dispute over the novelty of the patent for “Turkye haftes for knives” in *Matthey’s Case* (1571), reported in 17 Charles Viner, **A General Abridgement of Law and Equity** 210-11 (2d ed. 1793), and the ore-melting patent in *Bircot’s Case* (1572), reported in 3 Edward Coke, **Institutes of the Laws of England** 183 (1797) (1644), were both presented to the Privy Council. And in 1626 the Privy Council took over a common law case in which the defendant challenged a patent, denying the court jurisdiction because of the “dangerous consequence and far trenching upon the prerogative” that would result from “the strict trial at common law.” Walterscheid, *Antecedents (Part III)*, *supra* note ___, at 774 (quoting State Papers, Domestic (1626)).

decisions regarding patents after 1624 were actually made not by the King himself but by the Privy Council, a body of the King's advisors who had the power both to enforce patents and to revoke a royal patent for "inconveniency."²⁸ "Inconveniency" included both issues of public policy – abuse of the patent and failure to work it – and some of what we would think of today as patent validity questions – novelty of invention and prior invention by another.²⁹ Thus, when the Privy Council adjudicated a patent revocation proceeding against Thomas Lombe for silk engines, it considered both whether the identical engine had been made or used in England before Lombe did so and whether the effect of the patent was to restrain trade or create a monopoly.³⁰

The Privy Council was the primary means for revoking patents until as late as 1753.³¹ It also started out with primary responsibility for enforcing patents. But as grants of invention

²⁸ Statute of Monopolies, Statutes at Large, 21 Jam. 1, ch. 3, §6 (1623). See Oren Bracha, *Owning Ideas: History of Intellectual Property in the United States* (S.J.D. Diss. Harvard Law School June 2005), 21-23 (full paper available in various PDFs at <http://obracha.net/oi/>; the file OI2.pdf was the one cited).

²⁹ *Id.* See also Bracha, *supra* note __, at 59 (finding that when the Privy Council reviewed a patent in a revocation proceeding, "arguments about novelty and priority of invention were indiscriminately used alongside arguments about specific social benefits and harmful effects associated with an invention.").

³⁰ National Archives Public Record Office (PRO) PC 2/86, fo. 294. The cases is reported in S.D. Bottomley, *Patent cases in the Court of Chancery, 1714-1758*, __ J. Leg. Hist. __ [draft at 1-3](forthcoming 2013).

³¹ See, e.g., Christine MacLeod, *Inventing the Industrial Revolution: The English Patent System, 1660-1800* (1988); Edward Wyndham Hulme, *On the History of patent law in the seventeenth and eighteenth centuries*, 18 L. Q. Rev. 280 (1902) (both suggesting that the Privy Council had primary jurisdiction over patent law until 1753). For discussion of the role of the Privy Council, see Mossoff, *supra* note __, at 1275-88.

Sean Bottomley offers evidence that the Court of Chancery was more involved in patent matters than previously thought during the first half of the eighteenth century. S.D. Bottomley, *Patent cases in the Court of Chancery, 1714-1758*, __ J. Leg. Hist. __ (forthcoming 2013) (arguing that chancery courts were the primary means of enforcement of patents during the first half of the eighteenth century). Notably, Bottomley is discussing primarily patent enforcement, not patent revocation efforts. The first reported patent *scire facias* actions are *Rex v. Jacob* in 1782 and *Rex v. Arkwright* in 1785, James Oldham, 1 *The Mansfield manuscripts and the growth of English Law in the Eighteenth-century* 767

patents became more common in the 1700s, the English courts increasingly found themselves adjudicating infringement suits. In some of those suits, accused infringers called into question the validity of the underlying patent, either on the ground that it had not been granted to the true inventor or that the inventor had not sufficiently described the invention.³² Both law and equity courts could hear such defenses in England in the 1700s, though patent cases before 1750 appear to have been brought primarily in equity.³³ But unlike validity disputes as we understand them today, such a defense was not a challenge to the patent itself. At most a court could deny relief to the patentee in the case before it because it believed the patent did not comply with the law; it had no power to revoke the patent or to prevent a patent from being asserted against other defendants in subsequent cases.

In 1753, after a particularly complex patent case proceeded simultaneously in the Privy Council (via a request for revocation) and in the English courts (via a perjury proceeding based on testimony offered to the Privy Council), the Council granted the courts concurrent jurisdiction to revoke a patent.³⁴ Under this post-1753 procedure, a party that wanted to

(London 1992), though it seems clear that the procedure was well established before then in unreported decisions.

³² Notably, England had no system for formal examination of patents at that time. While the Crown traditionally granted patents, by the latter half of the eighteenth century it did so in response to a pro forma registration system. An inventor who wanted a patent had to jump through many hoops to obtain one, but each of those hoops was procedural. No government official substantively examined the invention to decide if it was worth of a patent. See Walterscheid, *supra* note ____.

³³ Walterscheid reports that before 1750, “[t]here are almost no records of common law actions and not many of actions at equity.” Edward Walterscheid, *The Early Evolution of United States Patent Law: Antecedents (Part IV)*, 78 *J. Pat. & Trademark Off. Soc’y* 77 (1996). But he is referring to reported decisions, and there is good evidence suggesting that there were many unreported decisions during that time. Bottomley, *supra* note __, at 3; cf. H. Tomas Gomez-Arostegui, *The Untold Story of the First Copyright Suit Under the Statute of Anne in 1710*, 25 *Berkeley Tech. L.J.* 1247, 1333-34 (2010) (finding hundreds of unreported copyright cases during this period).

³⁴ Bracha, *supra* note __, at 60 n.127 & n.128. Bottomley suggests that the case in question, involving a patent medicine by one Dr. James, constituted an embarrassment for the Privy Council because it ruled

revoke a patent proceeded by a writ of “*scire facias*,” a writ that started out in the 1200s as a rough equivalent to the modern-day “order to show cause.”³⁵ The court could issue a writ of *scire facias*, requiring the owner of the patent to appear in court and defend the patent, lest the court issue an order to the Crown revoking the patent for inconveniency.³⁶ Because the Crown granted the patent in the first instance, it was thought to have an interest in the proceeding, and so the Attorney General was a party who had to approve the proceeding,³⁷ but any citizen could bring a *scire facias* action as of right in the name of the Crown.³⁸ *Scire facias* was not the only way to revoke a patent; the Privy Council retained that power as well until 1847. But it was the only judicial means to revoke a patent.³⁹ And once the courts had the

in the patentee’s favor despite overwhelming evidence of prior invention, and that evidence was later published by the losing party. Bottomley, *supra* note __, at 4.

³⁵ Second Statute of Westminster (1285). “*Scire facias*” literally means “let them know.” For detail on *scire facias*, see Thomas Campbell Foster, **A Treatise on the Writ of *Scire facias*** 12 (London, V. & R. Stevens & G.S. Norton 1846).

³⁶ English *scire facias* actions were available not only for what we would today call inequitable conduct (“fraud”), but also for invalidity of the patent grant. 2 William C. Robinson, **The Law of Patents** § 726 (1890).

³⁷ William Hands, **The Law and Practice of Patents for Inventions** 16 (London: 1808) (“a writ of *scire facias* . . . issues out of the Court of Chancery, at the instance of any private person, but in the name of the King, leave to issue it must therefore be previously obtained from the Attorney General.”).

³⁸ *Rex v. Butler*, 3 Lev. 221 (“Where a patent is granted to the prejudice of the subject, the king *of right* is to permit him upon his petition to use his name for the repeal of it.”); *Attorney General v. Rumford Chem. Works* (D.R.I. 1876), in **Report of Patent Cases in the Circuit Courts of the United States** 289, 305 (Hubert Ashley Banning ed.) (“Every person is presumed to have such an interest in a patent for an invention, that, if he alleges that it is illegal or void, he is entitled, as of right, to a *scire facias in the name of the queen*, in order to repeal it.”) (quoting *Queen v. Aires*, 10 Mod. 354). Gubby argues that most *scire facias* actions were brought at the instance of competitors. Helen Gubby, **Developing a Legal Paradigm for Patents** 20 (Eleven International Publishing 2012).

³⁹ Hindmarch on Patents 64 (“The only means which the law provides for the repealing of letters patent is by action of *scire facias* at the suit of the queen.”); *Attorney General v. Rumford Chem. Works* (D.R.I. 1876), in **Report of Patent Cases in the Circuit Courts of the United States** 289, 305 (Hubert Ashley Banning ed.) (“No instance can be found, it is believed, of any other proceeding in England, than a *scire facias*, to repeal letters patent for an invention.”).

power to adjudge patent validity, the Privy Council largely got out of the business of doing so; it last revoked a patent in 1779 and few applications for revocation were filed after that time.⁴⁰

The writ of *scire facias* “is in nature a bill in Chancery” in patent cases.⁴¹ Indeed, the title “chancellor” was thought by Lord Coke to derive from the Latin *cancellando*, applied because of the power of the chancellor to cancel letters patent of the king.⁴² Accordingly, in England in the 18th Century only chancery courts had the power to revoke a patent upon request of a private citizen.⁴³ And Chancery courts had no power to convene a jury.⁴⁴

⁴⁰ Bracha, *supra* note __, at 61 n.129; E. Wyndham Hulme, *Privy Council Law and Practice of Letters Patent for Invention from the Restoration to 1794*, 33 **L.Q. Rev.** 63, 193 (1917).

⁴¹ M. Bacon, *Abridgement of the Law*, Vol. 8, *Scire facias*, at 620 (rev.ed. 1852); W. Blackstone, *Commentaries*, Vol.III, at *260 (“When the Crown hath unadvisedly granted any thing by letters patent, which ought not to be granted, or where the patentee hath done an act that amounts to a forfeiture of the grant, the remedy to repeal the patent is by writ of *scire facias* in Chancery”); William Hands, **The Law and Practice of Patents for Inventions** 16 (London: 1808) (a patent “may be absolutely *vacated* on a writ of *scire facias*, which issues out of the Court of Chancery”); Year Books 12 & 13 Edward III (Rolls series) at cvii (1339). *Cf.* Thomas Campbell Foster, **The Writ of Scire Facias** v (Stephens & Norton 1851) (noting that the write of *scire facias* is “required in a great variety of instances, the practice in each being distinct, and in many of them depending on different rules.”).

Patent *scire facias* actions, then, could be brought only in Chancery. But the Chancery court, while a court of equity, also held a subsidiary legal jurisdiction – the so-called Petty Bag jurisdiction. See *Attorney General v. Rumford Chem. Works* (D.R.I. 1876), in **Report of Patent Cases in the Circuit Courts of the United States** 289, 305 (Hubert Ashley Banning ed.). *Scire facias* actions seem to have been part of the Chancery court’s subsidiary common law jurisdiction. Theodore F. Plucknett, **A Concise History of the Common Law** 392 n.2 (5th ed. 1956) (“[t]here seem no grounds for the suggestion . . . that there is anything ‘equitable’ about *scire facias*.”).

⁴² Edward Coke, **Fourth Institutes of the Laws of England** 87-88 (London, John Streeter et al. 1671) (the “highest point of [the chancellor’s] jurisdiction” was “to cancel the king’s letters patents under the great Seal, and damping the Enrolment thereof, by drawing Strikes through it like a lettice”); 1 Joseph Story, **Commentaries on Equity Jurisprudence** §40 (12th ed. 1877). By contrast, some modern etymology traces the term to the Latin “*cancellarius*” and early English “canceler,” meaning “man at the barrier.” <http://dictionary.reference.com/browse/chancellor>.

⁴³ The Crown, by contrast, could initiate a proceeding either in chancery or in the King’s Bench, under the principle that “the king may sue in what court he pleases.” *Magdalen College Case*, 11 Coke, 68 *b*, 75 *a*. *Attorney General v. Vernon*, 1 Vern. 277. *Vernon* was a suit to cancel a patent brought in equity, not law, though that seems to be because the patent was recorded in the records of the Chancellor of the Duchy of Lancaster rather than in the Court of Chancery, so the normal writ of *scire facias* was thought not to apply.

⁴⁴ Coke’s First Institute at 328 n.D.

That does not mean, however, that juries had no role in deciding the validity of patents in 18th-Century England. Juries could pass on the validity of a patent in two circumstances. First, a Chancery court might seek the advice of a jury in assessing the facts underlying a *scire facias* petition. Because Chancery courts could not summon juries, the procedure in such a case was to have the Lord Chancellor deliver the record to the King's Bench for a jury trial, and return the verdict to the Chancellor for consideration and judgment.⁴⁵ We have little evidence how common this practice was in England in the 1700s, because there are few records of *scire facias* proceedings before 1785.⁴⁶ At least *Arkwright* and *Else* were sent by the Court of Chancery to the King's Bench for a jury trial, and it seems likely that others were as well. This practice is consistent with the idea that the jurisdiction of the chancery courts over *scire facias* actions was legal, not equitable. The Chancellor remained responsible for rendering judgment, though how much power the court had to ignore the jury verdict remained unclear until well into the nineteenth century.⁴⁷

Second, and more commonly, when a patentee sued for damages at common law, rather than seeking an injunction in equity, matters of fact were given by the law courts to the

⁴⁵ Holdsworth, *supra* note __, at 452.

⁴⁶ That is not to say there were no such proceedings; rather, the problem is that they were not reported and are very hard to find. Starting in the late eighteenth century, reporting practices improved, and we have records of six patent *scire facias* actions between 1785 and 1800: *Rex v. Arkwright* (1785) 1 Haywards Pat. Cas. 263; *Rex v. Eley* (1790) *The Times* 9 Dec. 1790, p. 3; *Rex v. Else* (1785) 1 Carpmaels Pat. Cas. 104; *Rex v. Miles* (1797) *The Times* 20 Feb. 1797, p. 3; *Rex v. Boileau* (1790); *Rex v. Jacob* (1795).

⁴⁷ In 1846, in *Bynner v. Queen*, 9 QB Rep. 523, 551 (Exch. Ch. 1846), the Exchequer Chamber (the appeals court above the King's Bench) reviewed conflicting decisions on the power to revoke a patent and concluded that where a jury had found a patent invalid on referral from the court of Chancery, the actual cancellation of the patent by the Chancery court was a mere "ministerial act" the court was compelled to perform.

On the advisory nature of a jury in equity practice, see, e.g., 2 Joseph Story, **Commentaries on the Constitution** 553 (5th ed. 1891); Fleming James, *Right to a Jury Trial in Civil Actions*, 72 **Yale L.J.** 655 (1963).

jury.⁴⁸ That extended to what validity issues were tried in patent cases. This practice was fairly widespread by 1791; there are a number of English cases around that period in which a jury passed on either the novelty of the invention or the adequacy of the patentee's written specification.⁴⁹ Indeed, even patent enforcement actions brought in chancery courts because the patentee sought an injunction were often referred to the law courts for trial of patent validity when it was at issue.⁵⁰

Before concluding from cases like *Boulton & Watt* and *Liardet* that modern patent validity claims require jury trial under the Seventh Amendment, however, it is worth noting several differences between patent practice in England at the time and modern patent validity litigation. First, a ruling in the law courts could not invalidate a patent altogether, as a ruling of invalidity does today.⁵¹ In the law courts, invalidity as we understand it today didn't exist. The concepts we think of today as rendering a patent invalid instead provided personal defenses to a particular infringer. But a finding that such a defense applied had no application beyond that

⁴⁸ Patentees could – and frequently did – request a “special jury”: that is, a jury composed entirely of lords and gentlemen, rather than commoners. Gubby, *supra* note __, at 25-26.

⁴⁹ See, e.g., *Boulton & Watt v. Bull*, 2 H. BL. 463, 126 Eng. Rep. 651 (C.P. 1795) (adequacy of specification was for jury to decide); *Tennant*, reported in John Dyer Collier, **An Essay on the Law of Patents for New Inventions** 117-18 (London 2d ed. 1803); *Liardet v. Johnson*, 62 Eng. Rep. 1000 (K.B. 1778) (novelty and adequacy of specification both submitted to the jury along with infringement); E. Wyndham Hulme, *On the History of Patent Law in the Seventeenth and Eighteenth Centuries*, 18 L.Q.R. 280 (1902) (discussing *Liardet*). However, in *Boulton & Watt* the issue seems to have been merely whether the specification was clear enough for the jury to understand it, not whether it violated what we would think of today as the enablement requirement. Compare 35 U.S.C. § 112(a). Some have also argued that *Liardet* represented a sharp break with the past in requiring a written specification sufficient to educate the reader about the invention. See John N. Adams & Gwen Averly, *The Patent Specification: The Role of Liardet v. Johnson*, 7 Leg. Hist. 186 (1986).

⁵⁰ Thus, in *Kay v. Mills* (1747), PRO C33/383, fo. 698, the chancery court granted an injunction, but only for a year, pending resolution of an action at common law where the parties were “to be bound by the event of such tryall of such action as to the validity of the said letters patent.”

⁵¹ See *Blonder-Tongue Labs. v. Univ. of Ill. Found.*, 402 U.S. 313 (1971) (establishing the principle that a patentee whose patent is held invalid in court cannot sue others for infringing the same patent).

particular case. Patentees in 18th-Century England could – and did – file suit on a patent even after a court had concluded that patent was invalid. Indeed, in the *Arkwright* cases, the patentee sued Mordaunt and lost for an inadequate specification, then sued Nightingale on the same patent and won, and then was sued by the government in a *scire facias* action and lost.⁵²

Courts trying private patent disputes didn't worry too much about the validity of the patents; they viewed the private suit as a commercial dispute between two parties, not as something that implicated larger public interests. As Lord Loughborough wrote in *Arkwright v. Nightingale*:

[N]othing could be more essentially mischievous than that questions of property between A and B should ever be permitted to be decided upon considerations of public convenience or expediency. The only question that can be agitated here is, which of the two parties in law or justice ought to recover?⁵³

That is not to say that the English courts thought patents had no public significance; rather, the courts treated the public interest in invalidating bad patents as a matter for a *scire facias* proceeding, as indeed later happened in *Arkwright*.

The only way to actually invalidate a patent in the modern sense of the world was to bring a *scire facias* action for revocation. And it was the Chancellor, not the jury, who held the final power to revoke a patent using *scire facias*. The fact that *scire facias* was a common law proceeding conducted in the first instance in an equity court meant that the distinction

⁵² *Arkwright v. Mordaunt* (unreported) (K.B. 1781) (jury found specification insufficient); *Arkwright v. Nightingale*, Dav.P.C. 37 (Common Pleas 1785) (jury found specification of the same patent sufficient); *Rex v. Arkwright* (K.B. 1785) (successful *scire facias* claim instituted by 22 makers of cotton goods challenging the Arkwright patent). The cases can be found in John Davies, *A Collection of the Most Important Cases Respecting Patents of Invention* 69, 80 (London, 1816). For discussions, see John Hewish, *Cromford to Chancery Lane: New Light on the Arkwright Patent Trials*, 28 **Technology and Culture** 80-86 (1987); Edward Walterscheid, *The Early Evolution of United States Patent Law: Antecedents (Part IV)*, 78 **J. Pat. & Trademark Off. Soc'y** 77 (1996) (both discussing the *Arkwright* cases).

⁵³ *Arkwright v. Nightengale*, 1785, 1 WPC 61.

between legal and factual issues was more important than in the law courts. While chancery courts could and did refer validity questions to juries at common law, they did so only when there was a disputed issue of fact that was necessary to the resolution of the validity issue.⁵⁴

And the question of invalidity was not itself a question of fact. Rather, as the court said in *Arkwright*, whether a patent was “contrary to the law, and mischievous to the state, and therefore void . . . was merely a consequential one; it stated no fact which could be tried by a jury.”⁵⁵ Similarly, in *Hill v. Thompson* Lord Eldon stated that while the question whether the description of the invention could be understood was a fact question, the question “whether or not the patent is defective in attempting to cover too much, is a question of law.”⁵⁶ The House of Lords affirmed a number of *scire facias* revocations by the chancery court in the period

⁵⁴ See *Queen v. Neilson*, Web. Pat. Cas. 665, 668 (Ch. 1842):

[T]his writ issues from the common law side of the Court of Chancery – it is returnable in the Chancery; and being issued and returnable in that manner, the Chancellor has jurisdiction. In some cases, all the further proceedings are before the Chancellor as, if there be a demurrer; and it is only when there are issues in fact that the record is sent to the Court of Queen’s Bench.

See also Edward Coke, **The Fourth Part of the Institutes of the Laws of England** 79 (1797) (1644) (Chancery “hath power to hold plea of *scire facias* for repeal of the kings letters patents . . . In these if the parties descent to issue [of fact], this court cannot try it by jury, but the lord chancelour or lord keeper delivereth the record by his proper hands into the king’s bench to be tried there; . . . and after trial had to be remanded into the chancery, and there judgement to be given. But if there be a demurrer in law, it shall be argued and adjudged in” the Court of Chancery); 3 Blackstone, **Commentaries on the Laws of England** 48 (1768) (“if any cause comes to issue in this court, that is, if any fact be disputed between the parties, the chancellor cannot try it, having no power to summon a jury; but must deliver the record . . . into the court of king’s bench”).

⁵⁵ *Arkwright*, *supra*. In *Arkwright*, Justice Buller rejected the idea that the jury should be given the question of inconvenience: “it is merely a consequential issue, it is a question of law, whether it is prejudicial or not . . .” See John Dyer Collier, **An Essay on the Law of Patents for New Inventions** 124, 180 (London 2d ed. 1803). But while the court there refused to present the issue of inconvenience to the jury, it did so in part because the government’s argument was made as a legal matter and the government had not pled particular facts to support that conclusion.

To similar effect is *King v. Butler*, 3 Lev. 220, where the Crown proceeded in chancery to annul a patent using *scire facias*, the House of Lords approved the procedure, noting that a jury was unnecessary.

⁵⁶ *Hill v. Thompson*, 1817, 1 WPC 237-38.

before 1791 without finding a jury necessary.⁵⁷ Whether a jury was convened, then, depended on whether the case required resolution of a disputed issue of fact.⁵⁸

Second, the scope of the patent right was very different in the 18th Century than it is today, and accordingly so was the nature of validity proceedings. Patents today are defined by the scope of legal “claims” written by patent lawyers and approved by the Patent and Trademark Office (PTO). Those claims are peripheral in nature; that is, they attempt to set the outer bounds of the patentee’s legal right, in much the same way a fence might bound real property.⁵⁹ Patentees accordingly seek to write patent claims that are as broad as possible. And that breadth makes patent claims more likely to be invalid, because the patent must be for a new invention, and “that which infringes if later, anticipates if earlier.”⁶⁰ Further, because the patentee must describe and enable one of skill in the art to make and use the “full scope” of the patent claims, broader patent claims are more vulnerable to rejection for an insufficient description.⁶¹

By contrast, patents in the 18th century didn’t have claims at all. The focus on the invention was not on how broadly the patentee claimed the principle, but on the machine the

⁵⁷ King v. Butler, 3 Lev. 220, Queen v. Aires, 10 Mod. 354; Queen v. Archipelago Co., 1 El. & Bl. 310; Cumming v. Forrester, 2 Jac. & W. 341. See Hindmarch on Patents 401-02.

⁵⁸ When there was a disputed issue of fact and also a question of law, the Court of Chancery could choose to transmit the whole record to the King’s Bench and have the King’s Bench rule on the legal question. Jeffreson v. Morton, 2 Saunders 6, 23 (K.B. 1668). But it was the judge, not the jury, who ruled on the legal issue in King’s Bench.

⁵⁹ For a discussion of the move to peripheral claiming, see, e.g., Dan L. Burk & Mark A. Lemley, *Fence Posts or Sign Posts? Rethinking Patent Claim Construction*, 157 U. Pa. L. Rev. 1743 (2009).

⁶⁰ Polaroid Corp. v. Eastman Kodak Co., 789 F.2d 1556, 1573 (Fed. Cir. 1986).

⁶¹ The Incandescent Lamp Patent, 159 U.S. 465 (1895) (enablement); Ariad Pharms., Inc. v. Eli Lilly & Co., 598 F.3d 1336 (Fed. Cir. 2010) (en banc) (written description).

patentee had in fact made.⁶² Under this “central claiming” system a patent was much less likely to be invalid for overreaching.⁶³ The invention was novel unless someone else happened to have built the very same machine before. There was no concept of “obviousness” of a novel invention,⁶⁴ the invalidity doctrine that today we think of as the “ultimate condition” of patentability.⁶⁵ And while courts in the 18th century did begin to require a written description of the invention, in a central claiming system that description need be only of the machine the patentee actually developed, not the full range of possible devices that fit within the broad scope of a modern peripheral patent claim. Indeed, English patents in the eighteenth century often didn’t even have what we would recognize today as a specification, instead providing on a condensed “schedule” that sketched out the invention.⁶⁶ The result was that invalidity was much less significant an issue for patent law than it is today, explaining why there were many fewer cases raising the issue, whether as a defense to an infringement suit or in a *scire facias* action. And many of the most important issues of patent law, including patentable subject matter, obviousness, statutory bars, and written description, did not exist at all in England.

Third, the role of the jury was much more circumscribed in the 1700s than it is today. Today we tend to give juries responsibility for deciding ultimate questions as long as those questions involve issues of fact. We may ask a jury to render a general verdict (vote for

⁶² “Prior to 1790 nothing in the nature of a claim had appeared either in British patent practice or in that of the American states,” Lutz, *Evolution of the Claims of U.S. Patents*, 20 **J. Pat. Off. Soc.** 134 (1938). See also Joseph S. Cianfrani, *An Economic Analysis of the Doctrine of Equivalents*, 1 **Va. J. L. & Tech.** 1, ¶¶5-8 (1997).

⁶³ Burk & Lemley, *supra* note ____.

⁶⁴ Obviousness was added to the patent law by *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1851).

⁶⁵ John F. Witherspoon, **Nonobviousness – The Ultimate Condition of Patentability** (1980).

⁶⁶ See, e.g., Michael J. Risch, *America’s First Patents*, 64 **Fla. L. Rev.** 1279, 1288 (2012); Edward C. Walterscheid, **To Promote the Progress of Useful Arts: American Patent Law and Administration, 1798-1836** 297 (1998).

patentee or defendant), or perhaps to render a special verdict on an ultimate legal question (is the patent obvious?). But we don't often ask them to rule merely on specific issues of fact, leaving the normative questions for the judge.⁶⁷

That broad grant of authority to juries is a quite recent development in patent law. When courts gave patent issues to juries in 18th-Century England, they did so with very specific instructions that limited the role of the jury to resolving truly factual disputes such as the credibility of witnesses. They did not hesitate to give the jury their opinion as to which way the facts were leaning, and they often resolved the most important issues in the course of the instructions, saying things like "if you believe witness x, you must find for the plaintiff."⁶⁸ In *Arkwright v. Nightingale*, Lord Loughborough's charge to the jury was "simply whether you believe five witnesses who have sworn to a positive fact."⁶⁹ Oldham suggests that these sorts of directions were common in patent cases at the time.⁷⁰ Jurors, in turn, could give their

⁶⁷ A notable exception is the Northern District of California Model Patent Jury Instructions §4.3b (Nov. 2011), which provide alternative instructions on obviousness, one of which asks only for rulings on specific questions of fact.

⁶⁸ For examples, see Thomas Green Fessenden, **An Essay on the Law of Patents for New Inventions** 138 (Boston: 2d ed. 1822) (reporting Judge Stevens's charge to the jury in a patent suit by Eli Whitney over the cotton gin) ("Judge Stevens remarked . . . that from the testimony now produced, his opinion is, that the plaintiff must have received his first impressions from a machine previously in use on a similar principle; and that an improvement had been made as to the teeth, by which the merit of Mr. Whitney's invention was diminished.—For these reasons, Judge Stevens had some doubts whether the plaintiff ought to recover.").

⁶⁹ Gubby, *supra* note __, at 197. Another example is the instruction of Judge Denman in *Cochrane v. Braithwaite*, 1832, 1 CPC 501. He said:

Several of the defendant's witnesses gave the opinion that the apparatus constructed in the manner of the plaintiff's specification would not work, but I do not think any mere opinion of this sort is to be put in competition with the positive testimony of such men as Brunel, Bramah, Birkbeck, Turrell and Partington who all swore they had actually seen the plaintiff's apparatus work.

⁷⁰ Oldham, **English Common Law in the Age of Mansfield** 68 (2004).

opinions on the evidence at any time, even before all the evidence had been heard,⁷¹ a procedure that sounds bizarre to modern ears but which might reflect the rather different role the jury was thought to play in English courts at the time.

The lessons from English history, then, are somewhat equivocal. Juries did often decide factual questions underlying issues of patent validity, though their decisions were much more circumscribed in scope and in number than they are today. What we think of today as a ruling of patent invalidity – the voiding of a patent – was reserved for the Chancery courts under the writ of *scire facias*. Under that writ, the case would be sent to the law courts for a jury trial only if validity depended on a disputed issue of fact.

II. American Practice

A. The Early Divergence Between English and American Practice

Early American courts, unlike their English counterparts, did not always maintain a sharp distinction between law and equity. Many colonial courts had separate equity divisions, but not all, and the newly-created federal courts gave both legal and equitable powers to the same judges, albeit sitting either “in law” or “in equity” depending on the nature of the action brought before them.

Patents existed in the colonies well before the revolution, though patents for invention were rare. The first patent in North America was granted in Massachusetts in 1641,⁷² with

⁷¹ Gubby, *supra* note __, at 29-30.

⁷² **Manufactures of the United States in 1860; compiled from the original returns of the eighth census, under the direction of the Secretary of the interior** cxcix (Government Printing Office, Washington, 1865) (“Salt-making was commenced at Salein in 1636, and in 1641 Samuel Winslow was allowed, for 10 years, the exclusive right of making salt in Massachusetts by a new method.”).

occasional grants by various colonies thereafter.⁷³ But most patents in the colonies were grants of government privilege over land or markets, not patents for invention.⁷⁴ As was common in the colonies (though not in England), the patent was granted by the Massachusetts General Court, its legislature, not by the Crown or the governor.⁷⁵ And patent litigation was apparently unknown in the colonies; I can find no report of colonial patent lawsuits or revocation proceedings before the American Revolution. Instead, if a party wanted a legislative patent grant revoked they petitioned the legislature to do so.⁷⁶

In the 1780s, under the Articles of Confederation, the federal government had no power to issue patents. States became more active in granting patents for invention at this time, and different states issued competing patents covering steamboats.⁷⁷ The conflict between these

Remarkably, the actual grant precluded not the making of salt by the new method, but any making or importation of salt by any means: “for the space of 10 yeares, . . . it shall not be lawfull for any pson to bring in any salt, or make salt after any othr way . . .” 1 **Records of the Governor and Company of Massachusetts Bay in New England (1628-1686)** 331 (Nathaniel B. Shurtleff ed. 1853). The Winslow salt patent, then, looked more like the old grants of royal privilege over a market than a true patent for invention.

⁷³ Oren Bracha, **Owning Ideas** 97-102 (2001), available at <http://www.utexas.edu/law/faculty/obracha/dissertation>.

⁷⁴ See, e.g., E. Burke Inlow, **The Patent Grant** 36 (Johns Hopkins Press 1950) (“A careful study of the entire colonial period reveals that only the merest handful of patents were issued for industrial or manufacturing purposes”); Richard B. Morris, **Government and Labor in Early America** 33 (New York 1946) (“the practice of issuing patents of monopoly to founders of new industries never took root in the colonies.”).

⁷⁵ *Id.* at 108 (“the colonial patent grant was a somewhat haphazard institution that bore strong traces of its English origins and yet acquired different local character.”). English patent owners could pay an additional fee to have their patents valid in the colonies, though only a minority ever did so, and there is no record of such a patent being enforced in the colonies.

⁷⁶ *Id.* at 110. Cf. *Livingston v. Van Ingen*, 9 Johns 507 (N.Y. 1812) (litigating the consequences of New York’s revocation of the 1787 patent to John Fitch for the steamboat and a subsequent grant to Robert Livingston; both parties assumed the legislature had the power to revoke the patent it had granted).

⁷⁷ See Jack L. Shagena, **Who Really Invented the Steamboat? Fulton’s Clermont Coup** 113–390 (2004) (eight different inventors, including Robert Fulton, but also William Henry, James Rumsey, John Fitch, Oliver Evans, Nathan Read, Samuel Morey, and John Stephens). For discussion of these conflicts, see Frank D. Prager, *The Steamboat Interference, 1787-1793*, 40 **J. Pat. Off. Soc’y** 611, 613-15 (1958);

inventors over patent rights issued by different states was one of the driving forces behind assigning patent rights to the federal government in the U.S. constitution.⁷⁸

The first federal patent statute was enacted in 1790, in the first Congress.⁷⁹ Building on the English patent system, in which the Crown issued the patent, the new Patent Act provided for high-level ministerial involvement in deciding whether to grant a patent. Under the 1790 Act, three cabinet secretaries had to review each patent application, and two of them had to agree in order to issue a patent.⁸⁰ The Act provided that any party could petition a court to cancel a patent, but only for fraud or what we would describe today as inequitable conduct, and only within the first year after the patent issued.⁸¹ Section 6 of the act provided that a defendant sued for infringement could raise a challenge to the adequacy of the patent specification, and its language – “verdict and judgment shall be for defendant” – seems to contemplate juries as well as judges considering the issue.⁸² Notably, however, that language disappeared from the parallel section of the 1793 Act.⁸³

Edward C. Walterscheid, *Priority of Invention: How the United States Came to Have a “First-to-Invent” Patent System*, 23 **AIPLA Q.J.** 263, 270 (1995); Michael F. Martin, *The End of the First-to-Invent Rule: A Concise History of Its Origin*, 49 **IDEA** 435, 451-53 (2009).

⁷⁸ See, e.g., Robert P. Merges et al., **Intellectual Property in the New Technological Age** 127 (5th ed. 2010) (identifying the conflict between the states over the inventor of the steamboat as a motivator for the Constitutional grant of patent power to the federal government).

⁷⁹ An Act to Promote the Progress of Useful Arts, 1 Stat. 109 (1790).

⁸⁰ Patent Act of 1790, Ch. 7, 1 Stat. 109-112 (April 10, 1790). For discussion of the Act, see P.J. Federico, *Operation of the Patent Act of 1790*, 18 **J. Pat. Off. Soc’y** 237 (1936).

⁸¹ *Id.* Inequitable conduct involves deliberate misrepresentations to the patent office that cause them to issue a patent they otherwise would not, either by affirmatively lying to the PTO or hiding critical pieces of prior art. *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276, 1292-93 (Fed. Cir. 2011) (en banc).

⁸² Patent Act of 1790, Ch. 7, §6 1 Stat. 109-112 (April 10, 1790). See B.D. Daniel, *The Right of Trial by Jury in Patent Infringement Cases*, 28 **Rev. Litig.** 735, 756 (2009) (making this point).

⁸³ Act of Feb. 21, 1793, §6 1 Stat. 318.

Only fifty-seven patents were issued between 1790 and 1793.⁸⁴ We know very little about most of them, in part because a fire destroyed early patent office records.⁸⁵ Very few of those patents were enforced before 1800, though one case was decided, a New York case at common law but tried without a jury.⁸⁶ We do know, however, that in the one reported instance of an effort to revoke a 1790 Act patent, the complainant didn't go to court at all, in law or in equity. Instead, following the colonial practice, he went to Congress, which appointed a committee in 1794 to consider whether to revoke the patent as improvidently granted.⁸⁷ The committee in turn referred the matter to the courts for adjudication.⁸⁸

The idea that cabinet secretaries must review every patent application quickly proved unworkable. In 1793, Congress went to the opposite extreme, eliminating the requirement that *anyone* in government evaluate patents for validity. Instead, from 1793 to 1836 the United States operated a registration system, under which anyone who filed a patent application was entitled to a patent, the validity of which was tested (if at all) in the courts.⁸⁹

⁸⁴ http://en.wikipedia.org/wiki/Patent_Act_of_1790.

⁸⁵ See, e.g., Kenneth W. Dobyns, *The Patent Office Pony: A History of the Early Patent Office* 105 (1997).

⁸⁶ B. Zorina Khan, *Property Rights and Patent Litigation in Early Nineteenth-Century America*, 55 *J. Econ. Hist.* 58, 90 tb. 8 (1995).

There appear to have been other cases filed that did not result in a judgment. A bill enacted in June 1794 restored patent actions that had been cut off by the replacement of the 1790 Act with the new 1793 Patent Act. An Act Supplementary to an Act Intituled "An Act to Promote the Progress of Useful Arts," June 7, 1794, reported in 1 *The Statutes at Large and Treatises of the United States of America* 320 (C.C. Little & J. Brown 1845). That bill would have been entirely unnecessary if there were no patent disputes pending in February 1793.

⁸⁷ Journal of the House, Friday, March 21, 1794, at 98 (reporting a petition of Jonathan Jenkins requesting a repeal of letters patent granted to Benjamin Folger for separating and rendering whale oil to produce candles; Jenkins argued that the patent had been obtained "surreptitiously, and from false suggestions.").

⁸⁸ See Adolphus Washington Greely, *Public Documents of the First Fourteen Congresses, 1789-1817* 149 (Government Printing Ofc. 1900). I can find no record of further action being taken.

⁸⁹ Act of Feb. 21, 1793, 1 Stat. 318.

Importantly, unlike English practice, the 1790 and 1793 Acts provided federal subject matter jurisdiction only in law, not equity courts.⁹⁰ It wasn't until 1819 that Congress enacted federal subject matter jurisdiction over patent cases in equity.⁹¹ That doesn't mean federal equity courts never heard patent cases; they often did, but only when the parties were of diverse citizenship. Nonetheless, the fact that patentees couldn't necessarily file suit in equity in the early days of the Republic skewed American patent litigation – and thus validity defenses – towards law, not equity courts, because they were the only federal courts in which the patentee could be sure his case would be heard.⁹²

Patent litigation gradually increased over this period as more patents issued under the registration system.⁹³ Defendants in infringement suits tended to raise validity issues as personal defenses to the suit in question. Some of that litigation occurred in at law, and some at equity, depending largely on diversity of citizenship and (especially after 1819) on whether the patentee sought injunctive relief or damages.⁹⁴ Indeed, some equity courts refused injunctive relief if a patent was of doubtful validity, preferring to leave the determination of

⁹⁰ *Root v. Railway Co.*, 105 U.S. 189, 191-92 (1881) (discussing the history of the Acts); *Livingston v. Van Ingen*, 1 Paine 45.

⁹¹ Act of Feb. 15, 1819, c. 19, 3 Stat. 481.

⁹² Because jurisdiction over patent cases is exclusively in the federal courts, Rev. Stat. §629, ¶9 (1897), codified at 28 U.S.C. §1338(a), patentees cannot simply sue in state court. If they could not get diversity jurisdiction in equity, they had no choice but to seek relief in the law courts.

⁹³ Zorina Khan reports a total of six patent cases decided between 1800 and 1809, compared with 37 in the 1810s, 36 in the 1820s, and 37 in the 1830s. Patent litigation took off after the Patent Act of 1836, with 198 cases filed in the 1840s and 415 in the 1850s. B. Zorina Khan, *Property Rights and Patent Litigation in Early Nineteenth-Century America*, 55 *J. Econ. Hist.* 58, 63 tbl. 1 (1995). The first U.S. patent case to empanel a jury was in 1804. *Reutgen v. Kanowrs*, Fed. Cas. 11,710 (C.C.D. Pa. 1804).

⁹⁴ While the same courts heard both law and equity cases, during this period a case was either filed in law or in equity, so a plaintiff had to choose in any given action between seeking damages and seeking injunctive relief. Zorina Khan reports that between 1800 and 1839 24.1 percent of patent disputes were filed in equity, with the balance in law. Khan, *supra* note __, at 65. It was not until the Patent Act of 1870 that patentees were authorized to obtain both damages and injunctive relief in the same proceeding. See *infra* part II.

that validity issue to the law courts.⁹⁵ This was a departure from the normal equity practice in non-patent cases at the time, suggesting a willingness to treat patent validity as a legal matter even when filed in an equity court.⁹⁶

The defendant challenged validity in roughly a third of the litigated cases.⁹⁷ And the defendant won in about 60% of those cases.⁹⁸ By several decades into the nineteenth century, the norm was for a validity issue to come to the courts as a defense to an infringement suit, and for that suit to occur at law and for the validity issues to be tried before a jury.⁹⁹

The growing practice of litigating patents in the law courts during that period coincides with the rarity of *scire facias* actions or their American equivalent. The 1793 Act, like its 1790 predecessor, did contain a provision allowing a court to cancel a patent for what we would think of today as inequitable conduct – actual deception in the filing of the patent.¹⁰⁰ Unlike

⁹⁵ See *Sullivan v. Redfield*, 1 Paine 441, 23 F. Cas. 357 (C.C.N.Y. 1825); *Winans v. Eaton*, 1 Fish. 181 (1854). But while *Sullivan* traces that practice to English equity, it does not appear to have been common in England before 1791. As we have seen, the actual English practice was to grant injunctive relief for a limited period and then await a decision at law confirming the validity of the patent. See *supra* note ____.

⁹⁶ Indeed, only five years later the Supreme Court declared that “[i]t is well known, that in civil causes, in courts of equity and admiralty, juries do not intervene, and that courts of equity use the trial by jury only in extraordinary cases to inform the conscience of the court.” *Parsons v. Bedford*, 28 U.S. 433, 446 (1830).

⁹⁷ Khan reports a total of 41 validity challenges out of the 115 cases decided between 1800 and 1839, or 35.6%. Khan, *supra* note ___, at 63 tbl. 1 & 78 tbl. 6.

⁹⁸ *Id.* at 71 tbl 5 (reporting patentees won 29 cases and lost 44, for a win rate of 39.7 percent).

⁹⁹ See, e.g., *Washburn v. Gould*, 29 F. Cas. 312, 320 (No. 17,214) (CC Mass. 1844) (charging jury that “[i]f it should so happen, that your minds are led to a reasonable doubt on the question, inasmuch as it is incumbent on the defendant to satisfy you beyond that doubt, you will find for the plaintiff”).

¹⁰⁰ Patent Act of 1790, ch. 7, § 5, 1 Stat. 109, 111; Patent Act of 1793, ch. 10, § 10, 1 Stat. 318, 323. *Stearns v. Barrett* held that “[t]he *scire facias* in such a case ought to contain a direct allegation or suggestion that the patent was obtained surreptitiously or upon false suggestion; and to call upon the defendant for that cause only, to show cause why the patent should not be repealed.” 1 **The Statutes at Large and Treatises of the United States of America** 320 (C.C. Little & J. Brown 1845). For discussion of the ambiguity on the patentee’s state of mind required, see David McGowan, *Inequitable Conduct*, 43 **Loy. L.A. L. Rev.** 945, 948 (2010).

the 1790 Act, which envisioned cancellation when the public was “actually misled,” regardless of the patentee’s intent, the 1793 Act introduced the requirement that the deception “shall fully appear to have been made . . . for the purpose of deceiving the public.”¹⁰¹ In one early Supreme Court case involving litigation over that section, the Court rejected the claim that a patent could be revoked for fraud on the basis of a summary proceeding. Nor could it happen in an infringement proceeding. Instead, the Court said section 10 required an action “in the nature of *scire facias*.”¹⁰² Justice Story went on to say that that action was one on which a jury must decide any factual questions at issue.¹⁰³ But the issue was not entirely clear; in 1815, Chief Justice Marshall wrote in the analogous context of revocation of land patents, “[a] court of equity is better adapted to the purpose than a court of law.”¹⁰⁴

In England, the Attorney General was a party to a *scire facias* action, because the Crown was thought to have an interest in the question of whether the King’s grant would be revoked. Like the English *scire facias* proceeding, Justice Story held that revocations in the U.S., while proceedings brought by private complainants, required the participation of the government. Indeed, the role of the government was viewed as so central to the revocation of a patent that a patentee whose patent had been held invalid in a jury proceeding could not even voluntarily declare its own patent void; instead, it had to petition the Secretary of State to repeal the patent.¹⁰⁵ Patentees would seek to repeal their own patents in order to obtain a (possibly valid) replacement patent; the 1793 Act permitted the issuance of a replacement patent, but

¹⁰¹ Patent Act of 1793, § 6.

¹⁰² *Ex Parte Wood & Brundage*, 22 U.S. (9 Wheat.) 603 (1824); *Stearns v. Barrett*, 1 Mason’s C.C.R. 153.

¹⁰³ *Id.* Justice Story was an expert on equity jurisprudence. See Joseph Story, **Story’s Equity Jurisprudence** (13th ed. 1988).

¹⁰⁴ *Polk’s Lessee v. Wendell*, 13 U.S. (9 Cranch) 87, 98 (1815).

¹⁰⁵ *Morris v. Huntington*, Paine’s C.C.R. 348.

did not permit the patentee to hold more than one patent at a time.¹⁰⁶ But revocation proceedings were rare under the 1793 Act.

The distinction between a crown-approved patent in England and the registration system of the 1793 Act, coupled with statutory changes to the jurisdiction of U.S. courts that moved some actions from equity to law, mean that early American patent practice diverged rather quickly from prior English practice.¹⁰⁷ The most relevant American analogy – the 1790 Act – provides little guidance, simply because there is so little precedent involving patents granted between 1790 and 1793. Nonetheless, the limited precedent from the 1790 Act suggests that as in England, juries could and did consider factual questions in validity disputes when they were presented as defenses to an infringement suit filed at law. And juries also considered fact questions (though not legal issues) in the rare revocation proceedings under the 1793 Act.

B. The Jury in U.S. Patent Litigation from 1836-1938.

1. The 1836 Act and the Development of a Modern Patent System

In 1836, Congress passed the first thing that could be called a modern patent statute.¹⁰⁸ Neither a grant by high-level government officials nor a pro forma registration system, the 1836 Act established what we know today as the Patent and Trademark Office (PTO), an

¹⁰⁶ *Odiorne v. The Annesbury Nail Factory*, 2 Mason's C.C.R. 28; *Shaw v. Cooper*, 7 Pet. 292.

¹⁰⁷ Cf. Andrew P. Morriss & Craig Allen Nard, *Institutional Choice & Interest Groups in the Development of American Patent Law: 1790-1865*, 19 *Sup. Ct. Econ. Rev.* 143, 144 (2011) (noting significant early changes in U.S. patent law).

¹⁰⁸ Patent Act of 1836, 5 Stat. 117, 117-18 (1836).

administrative agency devoted to examining and issuing patents.¹⁰⁹ Administrative agencies were a rare species in 1836, and one that did not exist at all in England before the revolution, where patents were granted as matters of formality and without examination.¹¹⁰ Judicial review of this new agency was accordingly not a continuation of English practice but a new thing entirely. Courts in the nineteenth century were willing to allow juries to review decisions of the new agencies that sprung up with the industrial revolution, at least to the extent that a wrongful decision could give rise to tort liability.¹¹¹ But they never suggested that jury review of those decisions was required by the constitution, because there was no analogous practice in England before 1791. Indeed, the Supreme Court has since held that there is no constitutional right to jury review of administrative agency decisions.¹¹²

The period from 1836 to 1870 also saw the introduction of many of the doctrines of patent validity we would recognize today. Courts considered whether inventions were known or used by others, not just in the context of inventorship disputes but in the context we recognize today as invalidation by prior art.¹¹³ They introduced the doctrine of obviousness for the first time.¹¹⁴ They developed limitations on patentable subject matter and a scope-based

¹⁰⁹ For discussion of the workings of the early patent office, see Dobyns, *supra* note __; Kara W. Swanson, *Authoring an Invention: Patent Production in the Nineteenth-Century United States*, in **Making and Unmaking Intellectual Property: Creative Production in Legal and Cultural Perspective** (Mario Biagioli et al. eds. 2011).

¹¹⁰ Gubby, *supra* note __, at 196; Adams & Averley, **The Patent Specification: The Role of *Liardet v. Johnson*** 160 (1986).

¹¹¹ E.g., *Miller v. Horton*, 26 N.E. 100 (Mass. 1891) (Holmes, J.) (permitting a tort suit against government health commissioners who had a horse killed). Notably, there is a significant difference between holding a government agency liable for a tortious act and giving a jury the power to review the decision to take the act in the first place.

¹¹² *Cox v. United States*, 332 U.S. 442, 453 (1947).

¹¹³ cites

¹¹⁴ *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 148 (1851).

doctrine of undue breadth that survives today in the doctrines of enablement and written description.¹¹⁵ And most importantly, lawyers began to rely on patent claims to define the scope of their invention, meaning that these new validity doctrines were judged for the first time against a peripheral claim rather than merely being compared to the patentee's actual device.

Juries heard certain sorts of challenges to the legitimacy of the new agency's decisions under the 1836 Act, as validity defenses in cases brought at law rather than equity.¹¹⁶ And as in England, the successful assertion of such a defense benefitted only the defendant, and did not revoke the patent. Indeed, a number of early U.S. cases involved juries reaching contradictory decisions on patent validity.¹¹⁷

Revocation proceedings that would actually declare a patent invalid and therefore void, however, all but disappeared from U.S. law after 1836, largely because the 1836 Patent Act did not include a specific private cause of action for *scire facias* cancellation for fraud or inequitable conduct, but only in the case of what we would today call an interference proceeding between competing inventors.¹¹⁸

But even if the statute didn't provide a private cause of action for revocation, why not proceed by *scire facias*? The answer is that in the nineteenth century, the Supreme Court indicated that the *scire facias* writ was not generally available in the U.S. courts as a matter of

¹¹⁵ O'Reilly v. Morse, 56 U.S. 62 (1853).

¹¹⁶ While Congress provided for jurisdiction over patent cases in both the law and equity courts by this time, whether a patentee proceeded in law or in equity depended on whether the patentee wanted money damages or injunctive relief.

¹¹⁷ See Blake v. Sperry, 2 N.Y. Leg. Obs. 251 (1843) (noting that a jury in New York had overturned a patent that a jury in Connecticut had upheld, and ordering a new trial in New York in hopes of reaching consistent conclusions).

¹¹⁸ 5 Stat. 124 §15 (1836).

equity jurisdiction.¹¹⁹ When Congress narrowed the legal cancellation proceeding in the 1836 Act, litigants and courts seemed to assume that because the statute didn't create a private right of action to cancel a patent, only the U.S. government could bring a *scire facias* action.¹²⁰ And the government rarely did so.

Nonetheless, there were two circumstances in which private parties could seek to declare a patent void under the 1836 Act. First, despite the elimination of private *scire facias*, a party who could show inequitable conduct by the patentee could prevent that patentee from enforcing the patent in a court of equity, originally under the equitable doctrine of "unclean hands"¹²¹ but eventually in its own right under the doctrine of unenforceability for inequitable conduct.¹²² While inequitable conduct does render a patent unenforceable in equity, it is not a revocation proceeding in a true sense, as it applied in the nineteenth century only as a limit on the power of equity courts to aid a wrongdoer, and did not limit the law courts from awarding damages. Nonetheless, it is worth noting that at that time and even today, inequitable conduct is an equitable doctrine to be decided by the judge, not a jury.¹²³

A closer analogy to a revocation proceeding was the sole provision in the 1836 Act for private *scire facias*, which was available only in the case of a disagreement between two

¹¹⁹ See, e.g., *Mowry v. Whitney*, 81 U.S. 434, 440 (1871). Cf. *US v Stone*, 69 US 525, 535 (1864) ("A patent is the highest evidence of title, and is conclusive as against the Government, and all claiming under junior patents or titles, until it is set aside or annulled by some judicial tribunal. In England this was originally done by *scire facias*, but a bill in chancery is found a more convenient remedy.").

¹²⁰ *Mowry v. Whitney*, 81 U.S. 434, 440-41; *United States v. American Bell Tel. Co.*, 128 U.S. 315 (1888).

¹²¹ *Keystone Driller Co. v. General Excavator Co.*, 290 U.S. 240 (1933).

¹²² See *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276, 1292-93 (Fed. Cir. 2011) (en banc) (discussing the early development of the inequitable conduct doctrine out of unclean hands).

¹²³ *Agfa Corp. v. Creo Prods., Inc.*, 451 F.3d 1366 (Fed. Cir. 2006).

patentees over which one was the true inventor.¹²⁴ This is the equivalent of section 102(g) of the 1952 Act, providing for invalidity of a patent first invented by another,¹²⁵ or section 102(a) of the 2011 America Invents Act, providing for invalidity of a patent first filed by another.¹²⁶ Notably, the Supreme Court held that a proceeding of this sort was a proceeding in equity, not law. As the Court said in *Mowry*,

though in this country the writ of *scire facias* is not in use as a chancery proceeding, the nature of the chancery jurisdiction and its mode of proceeding have established it as the appropriate tribunal for the annulling of a grant or patent from the government.¹²⁷

Similarly, when the government brought a proceeding to annul a patent, that case proceeded in equity, not law. The principle was well established in the land grant patent cases.¹²⁸ But it was also the practice in invention patent cases. In *United States v. American Telephone & Telegraph Co.*,¹²⁹ the United States brought an action in equity to cancel two pioneering patents issued to Alexander Graham Bell for the telephone on grounds of fraud on the patent office. The case was consolidated with private claims to cancel those patents by others claiming to be the true inventors.¹³⁰ Bell objected that the government had no power

¹²⁴ Patent Act of 1836, 5 Stat. 124 §16.

¹²⁵ 35 U.S.C. §102(g) (2010).

¹²⁶ 35 U.S.C. §102(a) (2011).

¹²⁷ *Mowry*, 81 U.S. at 440.

¹²⁸ See, e.g., *United States v. Stone*, 69 US 525, 535-36 (1864):

It is contended here, by the counsel of the United States, that the land for which a patent was granted to the appellant was reserved from sale for the use of the Government, and, consequently, that the patent is void. And although no fraud is charged in the bill, we have no doubt that such a proceeding in chancery is the proper remedy, and that if the allegations of the bill are supported, that the decree of the court below cancelling the patent should be affirmed.

¹²⁹ 128 U.S. 315 (1888).

¹³⁰ *Dolbear v. American Tel. & Tel. Co.*, 128 U.S. 1 (1888). For a discussion of the history, see Christopher Beauchamp, *The Telephone Patents: Intellectual Property, Business, and the Law, 1876-1900*, 9 *Ent. & Soc'y* 591 (2008).

under the patent statute to revoke or annul a patent because the 1836 Act had eliminated the statutory action for *scire facias*. The Court rejected that argument, noting that it would be remarkable for the government to have no power to undo a grant it had been induced to make by fraud (the claim in *AT&T*). Rather, only the courts had the power to reject the grant; the proper procedure was for the United States, having concluded that the patent was invalid or fraudulently obtained, to file suit to have a court nullify that patent.¹³¹ And the Court concluded that the United States could exercise that power only through a bill in equity. Noting that the statute of 1870 provided for an applicant who was denied a patent to bring a proceeding in equity in the District of Columbia courts,¹³² the Court said proceedings to revoke a patent similarly belonged in equity:

These provisions, while they do not in express terms confer upon the courts of equity of the United States the power to annul or vacate a patent, show very clearly the sense of congress that, if such power is to be exercised anywhere, it should be in the equity jurisdiction of those courts. The only authority competent to set a patent aside, or to annul it, or to correct it, for any reason whatever, is vested in the judicial department of the government, and this can only be effected by proper proceedings taken in the courts of the United States.
...
though in this country the writ of *scire facias* is not in use as a chancery proceeding, the nature of the chancery jurisdiction and its mode of proceeding have established it as the appropriate tribunal for the annulling of a grant or patent from the government.¹³³

What is notable about these cases is that in all three circumstances in which a party (public or private) sought to annul or revoke a patent under the 1836 Act, that party had to

¹³¹ See *McCormick Harvesting Mach. Co. v. C. Altman & Co.*, 169 U.S. 606, 612 (1898) (“Had the original patent been procured by fraud or deception, it would have been the duty of the commissioner of patents to have had the matter referred to the attorney general with the recommendation that a suit be instituted to cancel the patent.”).

¹³² Patent Act of 1870, 16 Stat. 198, codified at §4915.

¹³³ *AT&T*, 128 U.S. at 364, 366.

proceed in equity. Courts at law could consider arguments going to the validity of patents in denying relief, just as English law courts could, and those arguments could be presented to juries. But when it came to actually invalidating a patent under the new validity issues developed by the courts during this period, as Chief Justice Marshall wrote in the analogous context of land patents, “[a] court of equity is better adapted to the purpose than a court of law.”¹³⁴

2. The 1870 Act and the Disappearance of Law Courts

The Patent Act of 1870 made a number of modifications to the patent system, from solidifying the PTO bureaucracy¹³⁵ to the establishment of various requirements for novelty, statutory bars, enablement, and inventorship that continue in much the same language to this day. It also required that patentees include claims, giving rise to the modern peripheral claiming system (and hence making validity a more important issue than it had been).¹³⁶ For our purposes the most important provision was section 55, which vested all federal courts, whether sitting in equity or in law, the power to award damages for patent infringement.¹³⁷

¹³⁴ Polk’s Lessee v. Wendell, 13 U.S. (9 Cranch) 87, 98 (1815).

¹³⁵ The statute provided for a specific number of individual PTO employees, including examiners, and permitted the hiring of various other lower-level employees, including, remarkably, “copyists of drawings” and, separately, “female copyists.” Act of July 8, 1870, ch. 230, §§ 2-3, 16 Stat. 201.

¹³⁶ *Id.* § 26. For discussion of this history, see Burk & Lemley, *supra* note __; 1 A. Deller, Patent Claims § 4, p. 9 (2d ed.1971). Claims existed before that time, but only optionally, and they were frequently central rather than peripheral claims. See Risch, *supra* note __, at 1288.

¹³⁷ *Id.* §55:

And be it further enacted, That all actions, suits, controversies, and cases arising under the patent laws of the United States *shall be originally cognizable, as well in equity as at law*, by the circuit courts of the United States, or any district court having the powers and jurisdiction of a circuit court, or by the supreme court of the District of Columbia, or of any Territory; *and the court shall have power, upon bill in equity filed by any party*

Because a court could order an injunction only “upon a bill in equity,” the effect of this provision was that a patentee no longer had to sue in one court to obtain damages and a different court to seek injunctive relief. The patentee could have both damages and an injunction from the same judge – but only if they sued in equity.

Patent litigation took off beginning in the 1870s and 1880s, as many of the iconic inventions of American life (including the sewing machine, the telephone, and the light bulb) made their way into court.¹³⁸ And that trend only accelerated over the intervening decades, as courts were called upon to resolve patent disputes involving barbed wire,¹³⁹ railroad inventions,¹⁴⁰ movie projectors,¹⁴¹ automobiles,¹⁴² airplanes,¹⁴³ and radios,¹⁴⁴ among other

aggrieved, to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any right secured by patent, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for an infringement, the claimant [complainant] shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction, and the court shall have the same powers to increase the same in its discretion that are given by this act to increase the damages found by verdicts in actions upon the case; but all actions shall be brought during the term for which the letters-patent shall be granted or extended, or within six years after the expiration thereof.

¹³⁸ For discussion of the litigation surrounding each invention, see ,e.g., Mark A. Lemley, *The Myth of the Sole Inventor*, 110 **Mich. L. Rev.** 709 (2012); Adam Mossoff, *The Rise and Fall of the First American Patent Thicket: The Sewing Machine War of the 1850s*, 53 **Ariz. L. Rev.** 165, 193–94 (2011); Ryan L. Lampe & Petra Moser, *Do Patent Pools Encourage Innovation? Evidence from the 19th-Century Sewing Machine Industry* 9 (Nat’l Bureau of Econ. Research, Working Paper No. 15,061, 2009), available at <http://ideas.repec.org/p/nbr/nberwo/15061.html>; Lea Shaver, *Illuminating Innovation: From Patent Racing to Patent War*, 69 **Wash. & Lee L. Rev.** 1891 (2012).

¹³⁹ *Washburn & Moen v. Beat-Em-All Barbed-Wire Co.*, 143 U.S. 275 (1892) (equity case).

¹⁴⁰ See, e.g., *Boyden Power-Brake Co. v. Westinghouse*, 170 U.S. 537, 569 (1898); Steven W. Usselman, **Regulating Railroad Innovation: Business, Technology, and Politics in America, 1840-1920** 97-154 (Cambridge Univ. Press 2002).

¹⁴¹ David E. Fisher & Marshall Jon Fisher, **Tube: The Invention of Television** 41 (1996) (discussing litigation over the invention of the movie projector).

¹⁴² See, e.g., *Columbia Motor Car Co. v. C.A. Duerr & Co.*, 184 F. 893, 901 (2d Cir. 1911).

¹⁴³ See, e.g., *Wright Co. v. Paulhan*, 177 F. 261 (C.C.S.D.N.Y.) (L. Hand, J.) (holding the Wrights’ patent to be pioneering and so entitled to broad scope), *rev’d*, 180 F. 112 (2d Cir. 1910).

foundational technologies.¹⁴⁵ And because peripheral claiming came into its own with the 1870 Act,¹⁴⁶ validity as we understand the term today became a real issue in patent litigation for the first time in these decades. But because under the 1870 Act a patentee who wanted both an injunction and damages had to proceed in a court of equity, virtually none of the patent cases decided in this period were tried to a jury.¹⁴⁷ Indeed, the dominance of equity in patent litigation was so complete that by 1940, seventy years after the Patent Act of 1870 and the first year for which we have records, only 2.5% of patent suits were tried to a jury,¹⁴⁸ likely cases where the patent had reached the end of its life and so only damages, not an injunction, were at issue.

Before 1870, in short, juries did resolve validity questions when they were raised as a personal defense in an infringement suit at law, just as they did in England at common law. But when courts considered whether to invalidate a patent altogether during that period, they did so at equity. After 1870, the use of juries in patent cases essentially disappeared, and judges took over not only the role of invalidating patents in revocation proceedings but also the job of deciding personal defenses in patent infringement suits. By 1940, the jury was a forgotten memory in patent litigation; no one living could recall a time when it was otherwise.

¹⁴⁴ See, e.g., *Radio Corp. of Am. v. Radio Eng'g Labs., Inc.*, 293 U.S. 1, 2–11 (1934); *Marconi Wireless Tel. Co. of Am. v. United States*, 320 U.S. 1, 38 (1943).

¹⁴⁵ See Lemley, *Myth*, *supra* note __ (discussing these various disputes).

¹⁴⁶ Although, as one historian has observed, as early as 1850 “judges were ... beginning to express more frequently the idea that in seeking to ascertain the invention ‘claimed’ in a patent the inquiry should be limited to interpreting the summary, or ‘claim,’ ” Lutz, *supra*, at 145, “[t]he idea that the claim is just as important if not more important than the description and drawings did not develop until the Act of 1870 or thereabouts.” Deller, *supra*, § 4, at 9.

¹⁴⁷ See e.g., 3 William C. Robinson, *The Law of Patents for Useful Inventions* §932 n.5 (1890) (almost all cases were tried in equity).

¹⁴⁸ See Gary M. Ropski, *Constitutional and Procedural Aspects of the Use of Juries in Patent Litigation*, 58 *J. Pat. Off. Soc’y* 609, 673 (1976).

C. The Jury, Rediscovered: Practice from 1938 to 1982

In 1938, law and equity were merged in the U.S. courts.¹⁴⁹ After 1938, patentees had no reason to prefer equity over law; they could get both injunctive relief and damages from the same court without styling the proceeding as equitable. Freed of this constraint, we might reasonably expect to see jury trials spike immediately after 1938, returning at least to their mid nineteenth-century levels. In fact, however, that didn't happen. As Figure 1 shows, jury trials remained uncommon for decades after the merger of law and equity. Only 3.4% of the patent cases tried between 1940 and 1959 were tried to a jury.¹⁵⁰

We don't know exactly why neither party sought a jury trial in the decades after 1938. One possible explanation is innate conservatism. From the perspective of a patent lawyer trying a case in the 1940s, convening a jury was something new and untested – neither they nor anyone in their firms had likely ever done it that way before. If they even knew that people a century before had done so, they might have dismissed it as a product of a bygone era of simpler technologies. Modern (1950s) technology was judged too complex for a jury to understand, so it made no sense to give them the patent questions. And trying a complex technical case to a jury involved very different skills than trying the same case to a judge. As one prominent patent lawyer put it in 1993, looking back on this era, patent lawyers “used to always have a fear of juries.”¹⁵¹

¹⁴⁹ Fed. R. Civ. Proc. (1938).

¹⁵⁰ Ropski, *supra* note __, at 610.

¹⁵¹ Don W. Martens, *Remarks at the 10th Annual Judicial Conference of the United States Court of Appeals for the Federal Circuit*, 146 F.R.D. 205, 375 (1993).

Nonetheless, the conservatism explanation is not entirely satisfactory. The evidence that juries favor patentees is overwhelming.¹⁵² Even assuming no one knew that at the time, it wouldn't have taken too much experimentation to figure it out. And indeed lawyers did figure it out beginning in the late 1970s, and jury trials skyrocketed from 8.3% in 1978 to 70% in 1994 and have remained over 70% ever since.¹⁵³ When information about the desirability of juries to patentees did get out, it traveled fast. The question is why no one figured it out in the forty years after the merger of law and equity.

A second plausible explanation is that while patentees were free in theory to seek juries after the merger, in practice courts deprived them of the ability to do so. There is some reason to think that early post-1938 courts confronted with a jury trial demand made it a general

¹⁵² See, e.g., Lemley, Kendall & Martin, *supra* note ____.

¹⁵³ Federal Judicial Center, **Patent Law and Practice** 130 (2d ed. 1995) (tabulating data).

practice to try the equitable claim first and the legal claim thereafter.¹⁵⁴ Because most of those issues, including validity, overlapped, the party who lost in the equitable phase of the trial would be collaterally estopped from rearguing the same facts in front of the jury.¹⁵⁵ In practice, because judges treated both validity and infringement as part of the equitable portion of the case, this meant that juries would hear only damages issues. Dividing the trial in this way made sense to judges, not only because it was consistent with the almost-universal practice before 1938, but because there was no need to convene a jury at all unless the patent had already been held valid and infringed.

The common practice of holding jury trials after bench trials on validity may explain why only 3.4% of patent cases ended up being tried to juries in the two decades after 1938. But it can't be the whole explanation. In 1959, the Supreme Court held in *Beacon Theatres v. Westover* that the Seventh Amendment prevented judges from deciding an equitable issue first if there was a right to a jury trial on the related legal issue.¹⁵⁶ *Beacon Theatres* involved a declaratory judgment action in which the plaintiff sought a declaration that it was not violating the antitrust laws; the defendant counterclaimed, alleging that it did violate the antitrust laws. The Court held that the plaintiff could not avoid the defendant's right to a jury trial on the antitrust claims by first trying the equitable declaratory judgment claims; to do so would effectively undo the Seventh Amendment right to a jury trial on the underlying claims. After *Beacon Theatres*, it was clear that if there was a Seventh Amendment right to a jury trial on

¹⁵⁴ See, e.g., *Bellavance v. Plastic-Craft Novelty Co.*, 30 F. Supp. 37 (D. Mass. 1939).

¹⁵⁵ For discussion of this practice, see Ralph W. Launius, *Some Aspects of the Right to Trial by Jury in Patent Cases*, 49 **J. Pat. Off. Soc'y** 112 (1967); *Thermo-Stitch, Inc. v. Chemi-Cord Processing Corp.*, 294 F.2d 486, 488-90 (5th Cir. 1961).

¹⁵⁶ 359 U.S. 500 (1959).

validity issues, district courts could no longer avoid that jury trial by resolving validity as an equitable matter; instead, they would have to try the validity issues to the jury first and conform their decision in equity to the jury's verdict. And after *Dairy Queen v. Wood*, if there was such a right, the fact that most of the issues in the case were equitable, not legal, wouldn't matter either – the jury must take precedence.¹⁵⁷

Nonetheless, patentees still didn't turn to juries in the wake of *Beacon Theatres*. From 1960 through 1970, less than 5% of patent cases were tried to juries, though toward the end of that period commentators began to discuss the possibility.¹⁵⁸ Perhaps this too was innate conservatism. But it is equally possible that no one involved with the patent system thought there was a Seventh Amendment right to a jury trial of patent validity issues.

One reason they might have thought there was no such right is that since 1836, a patent has been granted by an administrative agency after substantive review. There was not much developed administrative law in the early nineteenth century, because there weren't many administrative agencies. But by 1946 the enormous growth of the administrative state had given rise to the Administrative Procedures Act (APA), which set out in detail the procedures administrative agencies must employ to make decisions and the standards for judicial review of those agency decisions.¹⁵⁹ Notably, those procedures all presuppose that a judge, not a jury, is reviewing the agency decision. They involve review of agency adjudications for legal errors or

¹⁵⁷ 369 U.S. 469 (1962).

¹⁵⁸ Ropski, *supra* note __, at 611. For discussion, see, e.g., George B. Newitt & Jon O. Nelson, *The Patent Lawyer and Trial by Jury*, 1 *John Marshall J. Prac. & Proc.* 59 (1967); Donald Zarley, *Jury Trials in Patent Litigation*, 20 *Drake L. Rev.* 242 (1971).

¹⁵⁹ 5 U.S.C. §551 et seq.

to determine whether they are supported by “substantial evidence.”¹⁶⁰ Courts are expected to defer to agency decisions. Outside of the criminal context, juries are not usually required to pass on agency decisions, and certainly not while applying a deferential standard of review, as the 1952 Patent Act requires.¹⁶¹ It is judges, not juries, who traditionally review the decisions of administrative agencies.

Indeed, shortly after the passage of the APA, the Supreme Court held that there is no right to a jury trial to review an administrative agency decision even in a criminal proceeding.¹⁶² In *Cox*, the defendants were convicted of leaving a wartime civilian labor camp, to which they had been sent after objecting to military service during World War II. The Selective Service Board had classed them as conscientious objectors; the defendants instead argued that they should have been classed as ministers of religion exempt from civilian service. The statute in question made the Board’s decision final on that issue. But *Cox* challenged that determination, arguing that it violated his right to a jury trial to be unable to present the misclassification argument to the jury. The Court rejected that argument in sweeping terms:

The concept of a jury passing independently on an issue previously determined by an administrative body or reviewing the action of an administrative body is contrary to settled federal administrative practice; the constitutional right to jury trial does not include the right to have a jury pass on the validity of an administrative order.¹⁶³

In the wake of *Cox*, it seems plausible that parties and courts thought that while they might take a patent damages case to the jury, they would have no right to have the jury decide

¹⁶⁰ 5 U.S.C. §706(a).

¹⁶¹ 35 U.S.C. §282(a). In *Microsoft Corp. v. i4i LLC*, 131 S.Ct. 2238, 2242-43 (2011), the Court held that the statutory presumption of validity must be overcome by “clear and convincing evidence.”

¹⁶² *Cox v. United States*, 332 U.S. 442, 453 (1947).

¹⁶³ *Id.*

questions of patent validity in that case. That is especially true because the Supreme Court has repeatedly described the ultimate question of patent validity as a question of law, not fact.¹⁶⁴

While juries can sometimes rule on legal questions,¹⁶⁵ there is no Seventh Amendment right to have those questions decided by a jury; a jury's ruling on a legal question is always advisory.

And if there was no Seventh Amendment right to a jury trial on validity, *Beacon Theatres* did not require trial courts to change their practice of deciding the equitable issues first and estopping the jury from reaching a different conclusion.

¹⁶⁴ *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17 (1966) (citing *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 155 (1950) (Douglas, J., concurring)). Nor was *Graham* alone. It was common in the nineteenth century for the Court to refer to validity as a question of law. *Mahn v. Harwood*, 112 U.S. 354, 358 (1884); *cf. Dunbar v. Meyers*, 94 U.S. 187, 196 (1876) ("the question is now well settled, that the question whether the alleged improvement is or is not patentable, is, in an equity suit, a question for the court."). Indeed, the Supreme Court in the nineteenth century even spoke of invalidity as a jurisdictional requirement that the court could raise on its own motion in equity. *See Richards v. Chase Elev. Co.*, 158 U.S. 299 (1895) ("We have repeatedly held that a patent may be declared invalid for want of novelty, though no such defense be set up in the answer."); *Slawson v. Grand St. R.R.*, 107 U.S. 649, 652 (1883). Many of these cases arose in disputes over priority of invention, where the Court was troubled that both parties had an incentive to argue the invention was patentable, since each hoped to obtain a patent for it. Thus, in *Hill v. Wooster*, 132 U.S. 693 (1890), the Court said:

The parties to the present suit appear to have been willing to ignore the question as to patentability in the present case, and to have litigated merely the question of priority of invention, on the assumption that the invention was patentable. But neither the circuit court nor this court can overlook the question of patentability.

Id. at 698.

While one might today question the idea that invalidity is unwaivable, the rule that it is a question of law remains. In *Microsoft Corp. v. i4i LLC*, 131 S.Ct. 2238, 2242-43 (2011), the Court reiterated that "the ultimate question of patent validity is one of law." Justice Breyer, concurring, emphasized that many of the most important validity issues are legal, not factual questions, to which the presumption of validity did not apply. *See also In re Lockwood*, 50 F.3d 966, 971 n.4 (Fed. Cir. 1995) ("the inquiry into obviousness is but one component of the ultimate legal conclusion of validity *vel non*").

¹⁶⁵ *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342 (Fed. Cir. 2012).

But if this was the attitude, it wasn't unanimous. Scholars in the 1960s began to suggest that there might be a right to a jury trial in a patent case.¹⁶⁶ And at least some lawyers began to listen in the 1970s. By 1978 more than ten percent of patent cases were tried to juries for the first time in over a century.¹⁶⁷

As courts began to give patent cases to juries in the late 1970s, they began to confront the issue of what issues belonged before the jury. Notably, when it came to validity, the regional circuits were hesitant to give juries unfettered power to decide questions of patent validity. None of the circuits simply gave the validity question to the jury outright. Rather, circuits took two approaches. Some circuits, including the Ninth, took the position that the ultimate question of validity was a question of law reserved for the judge,¹⁶⁸ but that if there was a dispute of fact, juries could hear the validity issues at trial and render an advisory verdict that the court was free to disregard.¹⁶⁹ Other circuits thought that even that went too far, because once a jury rendered a verdict on an issue the judge would be tempted to (improperly) defer to the jury's decision rather than render its own independent judgment. Accordingly, the Seventh Circuit refused to let juries render even an advisory verdict on the ultimate question of

¹⁶⁶ See, e.g., Ralph W. Launius, *Some Aspects of the Right to Trial by Jury in Patent Cases*, 49 **J. Pat. Off. Soc'y** 112 (1967); George B. Newitt & Jon. O. Nelson, *The Patent Lawyer and Trial by Jury*, 1 **John Marshall J. Prac. & Proc.** 59 (1967); Zarley, *supra* note __; Zachary Shimer, Comment, *Jury Trials in Declaratory Relief Actions: The Right Exists, but Under What Circumstances?*, 6 **UCLA L. Rev.** 678, 682, 692 (1959); John M. Townsend, Comment, *Right to Trial by Jury in Declaratory Judgment Actions*, 3 **Conn. L. Rev.** 564, 597-98 (1971).

¹⁶⁷ FJC, *supra* note __.

¹⁶⁸ See, e.g., *Bergman v. Aluminum Lock Shingle Corp.*, 251 F.2d 801, 809 (9th Cir. 1958) ("we do away with a frequent misapprehension that the question of the validity of a claim of a patent is solely one of fact.").

¹⁶⁹ See, e.g., *Sarkisian v. Winn-Proof Corp.*, 688 F.2d 647 (9th Cir. 1982) (*en banc*).

validity, instead submitting particular fact questions to the jury for resolution.¹⁷⁰ None of these courts thought there was a Seventh Amendment right to have the jury try the ultimate validity issue. To the contrary, even when a jury was called upon to resolve a disputed question of fact related to validity, courts were reluctant to let the jury have even an advisory role on an issue they clearly thought the judge was obligated to resolve.

One final development in this period is worthy of note. Throughout U.S. and English history, a jury had no power to nullify a patent. While accused infringers could assert a defense of invalidity, that defense was personal to them; the patent was not invalid unless it was nullified in a *scire facias* proceeding or revoked by the government. Patentees could and did enforce “invalid” patents against others. That ended in 1971. In *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Foundation*,¹⁷¹ the Supreme Court held that the doctrine of collateral estoppel extended to bar a patentee from asserting a patent held invalid in one proceeding against any other defendant in a subsequent case. This doctrine of “offensive, non-mutual” collateral estoppel represented a fundamental shift in patent litigation. After *Blonder-Tongue*, every patentee puts its legal right at risk every time it files a patent suit.¹⁷² Lose on infringement, and you are free to sue someone else whose device works in a different way. But lose on validity in one case and your rights end as to everyone else. *Blonder-Tongue* emphasized the public

¹⁷⁰ See, e.g., *Roberts v. Sears, Roebuck & Co.*, 723 F.2d 1324 (7th Cir. 1983) (en banc).

¹⁷¹ 402 U.S. 313 (1971).

¹⁷² See, e.g., John R. Allison et al., *Patent Quality and Settlement Among Repeat Patent Litigants*, 99 *Geo. L.J.* 677 (2011) (discussing how *Blonder-Tongue* makes patentees more risk averse).

interest in weeding out invalid patents, pointing to a series of Supreme Court cases of the same era concerned with the social costs of invalid patents.¹⁷³

The result of *Blonder-Tongue* is that an invalidity defense in litigation now looks more like a revocation proceeding than a personal defense to infringement. Indeed, courts have recognized that infringement and invalidity are now different proceedings with different scope. In *Cardinal Chemical*, the Supreme Court held that a finding of noninfringement no longer rendered a claim for invalidity moot, because after *Blonder Tongue*, a ruling of invalidity has a greater effect than simply defeating the infringement case before the court.¹⁷⁴

Before 1971, an invalidity defense in an infringement case looked somewhat like an old English infringement case, which could have been brought either in law or in equity. A jury's decision on invalidity had no effect beyond preventing the plaintiff from recovering in that case. After 1971, an invalidity defense looks a lot more like a revocation proceeding or an old *scire facias* action. Indeed, once an invalidity ruling defeats a patent for all time, it's hard to imagine what purpose would be served by a separate nullity proceeding.

D. Juries and the Seventh Amendment in the Federal Circuit

¹⁷³ See, e.g., *Walker Process Equip. Co. v. Food Chem. & Mach. Corp.*, 382 U.S. 172 (1965); *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969).

¹⁷⁴ *Cardinal Chem. Co. v. Morton Int'l*, 508 U.S. 83 (1993). For similar reasons, the Federal Circuit has held that if a defendant wins infringement in the district court, it cannot defend that judgment on appeal by showing invalidity; if it wants to argue invalidity, it must separately appeal a finding on validity, because the two rulings are no longer coterminous. *Radio Sys. Corp. v. Lalor*, ___ F.3d ___ (Fed. Cir. Mar. 6, 2013).

The United States Court of Appeals was created in 1982 to unify all patent appeals in a single appellate court.¹⁷⁵ It also had the effect, and arguably the purpose, of moving the law substantively in a more patent-friendly direction.¹⁷⁶ Because the creation of the Federal Circuit followed quickly on the wave of jury trials in patent cases, the Federal Circuit was quickly confronted with a number of appeals from jury verdicts on patent validity. In a number of early cases the Federal Circuit affirmed jury verdicts that ruled on patent validity, either implicitly deciding the ultimate question in rendering a general verdict or in an advisory opinion in those circuits that permitted those opinions.¹⁷⁷ While those early opinions did not confront the Seventh Amendment question directly, some early Federal Circuit decisions suggested that the court would follow the Seventh Circuit's approach, limiting the role of a jury to answering specific factual questions. In *Structural Rubber Prods. v. Park Rubber Co.*,¹⁷⁸ for example, the trial court had given the issues of novelty and nonobviousness to the jury. The Federal Circuit remanded for a new trial, chastising the district court for ignoring the teaching of *Graham* that obviousness was a question of law, explaining that juries were unlikely to know what obviousness was, and suggesting that an appropriate solution would be to use special verdict

¹⁷⁵ Federal Courts Improvement Act of 1982, Pub. L. 97-164, Apr. 2, 1982, 96 Stat. 25.

¹⁷⁶ See, e.g., William M. Landes & Richard A. Posner, *An Empirical Analysis of the Patent Court*, 71 **U. Chi. L. Rev.** 111, 112 (2004) (creation of the Federal Circuit was associated with the strengthening of patent rights).

¹⁷⁷ *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1547 (Fed. Cir. 1983); *DMI, Inc. v. Deere & Co.*, 802 F.2d 421, 424 (Fed. Cir. 1986); *Sun Studs, Inc. v. ATA Equip. Leasing, Inc.*, 872 F.2d 978, 984, *reh'g granted en banc*, 882 F.2d 1583, *original opinion reinstated and rehearing en banc declined*, 892 F.2d 73 (Fed. Cir. 1989).

¹⁷⁸ 749 F.2d 707 (Fed. Cir. 1984).

forms that gave the jury only the specific factual questions at issue, not the underlying legal question of obviousness.¹⁷⁹

The Seventh Amendment issue was not squarely presented to the Federal Circuit until 1995. In *In re Lockwood*, the patentee lost his infringement case on summary judgment, but the defendant's declaratory judgment counterclaim for invalidity was still pending. The defendant moved to strike the patentee's jury demand, arguing that with the ruling on infringement there was no longer any legal damages remedy at issue in the case and hence no need for a jury trial. Lockwood sought a writ of mandamus to reinstate the jury demand. The three-judge Federal Circuit panel granted the writ, holding that the history described in Part I indicated that juries were deciding the validity of patents in England before 1791.¹⁸⁰ Three other Federal Circuit judges dissented from the court's refusal to rehear the case en banc; they concluded that the English history did not support the conclusion that patent validity was an issue primarily for the jury before 1791, and also decided that the validity of a patent was affected with a public interest, invoking the "public rights" exception to the Seventh Amendment.¹⁸¹ The Supreme Court granted certiorari to resolve the issue.¹⁸² While the case was pending in the Supreme Court, Lockwood withdrew his jury demand in an effort to make

¹⁷⁹ *Id.* at 723-24. While the court did not require such a procedure, it strongly suggested it. Further, it quoted extensively from *Moore's Manual* § 22.08[1], at 22-78 to 22-79 (1983) to the effect that only the specific disputed facts, not the ultimate legal question, would be given to the jury under a special verdict approach. And it seems clear that the court meant a special verdict to be something more than just having the jury decide obviousness itself separately from other issues, for the district court had done that in the first trial and the Federal Circuit found that insufficient. *Structural Rubber*, 749 F.2d at 712.

¹⁸⁰ *In re Lockwood*, 50 F.3d 966, 975 (Fed. Cir. 1995).

¹⁸¹ *Id.* at 980 (Nies, J., dissenting from denial of rehearing en banc).

¹⁸² *American Airlines, Inc. v. Lockwood*, 515 U.S. 1121 (1995).

the case go away.¹⁸³ Because the case was rendered irrelevant by the deliberate act of the party who had prevailed below, the Court vacated the Federal Circuit's opinion in *Lockwood* under the voluntary cessation doctrine.¹⁸⁴ When that happens, the Federal Circuit's opinion is eliminated as precedent, and the district court's ruling (in this case striking the jury demand) is reinstated. Indeed, the Supreme Court instructed the district court to "proceed with the case," presumably without a jury.¹⁸⁵

The result has been a curious vacuum on this important issue.¹⁸⁶ In the last decade, only three Federal Circuit panel decisions have confronted the Seventh Amendment issue, and none directly on the question of validity. Those Federal Circuit decisions have followed the *Lockwood* opinion without much further analysis notwithstanding its vacatur,¹⁸⁷ though district

¹⁸³ American Airlines, Inc. v. Lockwood, 1995 WL 848568 (U.S. June 19, 1995) (respondent's motion to dismiss case as moot after withdrawal of jury demand).

¹⁸⁴ American Airlines, Inc. v. Lockwood, 515 U.S. 1182 (1995).

¹⁸⁵ *Id.*

¹⁸⁶ Commentators have focused on the Seventh Amendment issue in the context of infringement, not invalidity. See, e.g., Devon Curtis Beane, *Whoses Right Is It Anyway? The Evisceration of an Infringer's Seventh Amendment Right in Patent Litigation*, 2011 U. Ill. L. Rev. 1853; Eileen M. Herlihy, *The Ripple Effect of Seventh Amendment Decisions on the Development of Substantive Patent Law*, 27 Santa Clara Computer & High Tech. L.J. 333 (2011). One exception is Barry S. Wilson, Comment, *Patent Invalidity and the Seventh Amendment: Is the Jury Out?*, 34 San Diego L. Rev. 1787 (1997) (noting just after *Lockwood* was vacated that this important issue remained unresolved).

¹⁸⁷ In *Tegal Corp. v. Tokyo Electron Corp.*, 257 F.3d 1331, 1340 (Fed. Cir. 2001), the first precedential decision to consider a Seventh Amendment issue after *Lockwood*, the Federal Circuit said that "our analysis [in *Lockwood*] has been neither supplanted nor questioned. Although no longer binding, we find its reasoning pertinent." The court in that case found no right to a jury trial where there was no claim for damages at issue. So there was no need to rely on *Lockwood* at all. Nonetheless, *Tegal* seems to have worked a *sub rosa* rehabilitation of a controverted and vacated decision into binding law. In *re Tech. Licensing Corp.*, 423 F.3d 1286 (Fed. Cir. 2005), presented the same issue and followed *Tegal*.

Lockwood was distinguished in *Agfa Corp. v. Creo Corp.*, 451 F.3d 1366, 1373-75 (Fed. Cir. 2006), which rejected *Lockwood's* conclusion that *scire facias* proceedings in England were applicable only to issues like inequitable conduct. The court pointed out that "fraud" under the English patent registration system encompassed a much broader array of conduct than does modern inequitable conduct law. *Agfa* concluded that there was no right to a jury trial on inequitable conduct because it was analogous to the *scire facias* procedure. The court thought that meant that it was therefore equitable, not legal,

court opinions have questioned the application of that result to declaratory judgment actions.¹⁸⁸ But there is no particularly clean statement of the law one way or the other, given the clear split among Federal Circuit judges and the unresolved interest at the Supreme Court. And there is no precedential Federal Circuit decision holding what *Lockwood* held before it was vacated – that there is a Seventh Amendment right to a jury trial on validity issues. Each of the precedential cases citing *Lockwood* in fact found that there was no right to a jury trial on the facts of the case before it.¹⁸⁹ Instead, despite some unpublished case law to the contrary,¹⁹⁰ there seems to be an assumption in the Federal Circuit and among patent lawyers that there is a Seventh Amendment right to a jury trial, but no clear doctrinal basis for that assumption.

So the prevailing practice today requires jury trials on patent validity – or at least sometimes it does. In fact, there at least five sets of circumstances in which the validity of a patent is decided by a court or administrative agency without any right to a jury trial. First, since 1980 the patent statute has provided a number of administrative revocation procedures:

though as we have seen the English history doesn't support that conclusion. The writ of *scire facias* issued from the Court of Chancery, but as part of its subsidiary common law jurisdiction.

¹⁸⁸ See, e.g., *MedImmune Inc. v. Genentech, Inc.*, 535 F. Supp. 2d 1020 (C.D. Cal. 2008). In that case the declaratory judgment plaintiff was licensed, so the patentee could not sue for infringement, but the Supreme Court opinion allowed the licensee to sue to invalidate the patent. *MedImmune Corp. v. Genentech, Inc.*, 549 U.S. 118 (2007). The district court concluded that that fact made this unlike a case typically tried at law in England, because damages were not an available remedy. Accordingly, she struck the patentee's jury trial demand. The case settled while a petition for writ of mandamus was pending.

¹⁸⁹ See *supra* note ____.

¹⁹⁰ See *In re Impax Labs, Inc.*, 171 F. Appx. 839 (Fed. Cir. 2006) (unpub.). In *Impax*, the patentee had sued for both damages and injunctive relief, but later withdrew its damages claim and moved to strike the defendant's jury demand, since the only remedies remaining in the case were equitable. That situation is analogous to *Lockwood*, where the case started off as a case at common law but the possibility of damages was removed during litigation. Nonetheless, the Federal Circuit concluded that *In re Tech. Licensing Corp.*, 423 F.3d 1286 (Fed. Cir. 2005), precluded a jury trial once the only remaining issues were equitable. That ruling seems at odds with the vacated *Lockwood* opinion, which the court did not discuss.

ex parte reexamination, inter partes reexamination, and – after the America Invents Act of 2011 – post-grant opposition, supplemental examination, and a special post-grant opposition proceeding for business method patents.¹⁹¹ These administrative proceedings before the patent office can narrow a patent or invalidate it entirely at the behest of a third party. Indeed, they can even invalidate for all time a patent that the Federal Circuit has previously held valid and infringed.¹⁹² And as with court invalidations, once the patent is gone, it's gone, even though previous courts had held the same patent valid. The patentee has the right of direct appeal to the Federal Circuit from these administrative revocation proceedings, but no right to seek jury review of the administrative agency's decision.¹⁹³ Similarly when a patent applicant is dissatisfied with the PTO's refusal to grant a patent, it can either appeal that refusal to the Federal Circuit or file a de novo action in district court.¹⁹⁴ But in neither case does a jury review the PTO's decision.¹⁹⁵

Administrative revocation proceedings can deprive accused infringers of their right to jury trial as well. A party that brings an inter partes review or post-grant opposition proceeding must give up their right to challenge validity in court, not only for arguments actually rejected by the administrative agency but even for arguments that could have been but were not raised.¹⁹⁶

¹⁹¹ America Invents Act, H.R. 1249 (2011).

¹⁹² See, e.g., *In re Baxter Intern.*, 678 F.3d 1357 (Fed. Cir. 2012); *In re Construction Equip. Co.*, 665 F.3d 1254 (Fed. Cir. 2011).

¹⁹³ *Kappos v. Hyatt*, 132 S.Ct. 1690 (2012).

¹⁹⁴ 35 U.S.C. § 146.

¹⁹⁵ *Streck, Inc. v. Research & Diagnostic Sys.*, 665 F.3d 1269 (Fed. Cir. 2011) (district court hears evidence and testimony in a section 146 proceeding).

¹⁹⁶ 35 U.S.C. §§ 315, 325 (2011).

Second, patent enforcement can occur in parallel in district court or at the International Trade Commission (ITC).¹⁹⁷ Patent validity is a defense in an ITC enforcement action, just as it is in district court. An ITC ruling that a patent is invalid can be appealed to the Federal Circuit, but cannot be challenged directly in a district court before a jury. Because the statute requires district courts to stay their proceedings until a pending ITC action is resolved,¹⁹⁸ when both courts and the ITC are presented with a validity issue, it is the ITC's administrative law judge, not the jury, that will get the first crack at deciding validity. It is clearly not the case, then, that a patent can only be invalidated by a jury; the ability of both the PTO and other administrative agencies to invalidate a patent subject only to appellate judicial review under the APA seems well-established.¹⁹⁹

Both of the prior examples involve administrative agency action. Perhaps courts are different. In fact, however, the third example confirms that courts too can invalidate patents in circumstances in which there is no recognized right to a jury trial. The most common example involves suits to enforce a pharmaceutical patent against a generic drug manufacturer. Under

¹⁹⁷ 19 U.S.C. § 1337. For discussion, see Colleen V. Chien & Mark A. Lemley, *Patent Holdup, the ITC, and the Public Interest*, 98 **Cornell L. Rev.** 1 (2012).

¹⁹⁸ 28 U.S.C. §1659.

¹⁹⁹ The Federal Circuit approved this procedure over a Seventh Amendment objection in *Ninestar Tech. v. ITC*, 667 F.3d 1373 (Fed. Cir. 2012), which involved a civil penalty imposed by the ITC. Even though a monetary award was normally the province of the law courts, the court concluded that the ITC was a new administrative proceeding unknown to the common law with a new remedy, and one that affected public rights, making it exempt from the Seventh Amendment.

Notably, however, validity decisions of the ITC do not have issue-preclusive effect, even when affirmed by the Federal Circuit. *Tandon Corp. v. United States Int'l Trade Comm'n*, 831 F.2d 1017, 1019 (Fed. Cir. 1987) (“[O]ur appellate treatment of decisions of the Commission does not estop fresh consideration by other tribunals.”). By contrast, legal precedents established in ITC appeals are binding on subsequent parties. See *Power Tech. Inc. v. Tessera, Inc.*, 660 F.3d 1301, 1308 (Fed. Cir. 2011) (“courts are nonetheless bound by stare decisis to abide by any legal precedents established by our court in” prior ITC appeals).

the Hatch-Waxman Act, the generic drug manufacturer generally cannot enter the market unless and until the patentee either forbears from filing suit or the suit is resolved.²⁰⁰ The act of infringement in a generic drug case is the mere act of filing a statement of intention to enter the market with the FDA.²⁰¹ As a result, generic drug cases generally don't include a cause of action for damages, because the defendant isn't in the market. Since only an injunction is at issue, courts deciding pharmaceutical patent cases do not give the case to a jury, because they view the case as analogous to one tried at equity, not law, in England in the 18th century.²⁰² The pharmaceutical cases accept what seems to be conventional wisdom about the law-equity distinction: that it is the remedy at stake, not the fact that a patent may be held invalid, that triggers entitlement to a jury trial.²⁰³

Fourth, even cases in which patentees sue for damages are tried to judges, not juries, in one important instance. Suits against the federal government for infringement are authorized under 28 U.S.C. § 1498, but the patentee cannot seek an injunction; their only statutory remedy is "reasonable and entire compensation."²⁰⁴ Those cases are brought in the Court of Federal Claims, an Article I court; appeal from the Court of Claims is to the Federal Circuit.²⁰⁵ And trials in the Court of Claims are to judges, not juries, even though damages are the only remedy

²⁰⁰ 21 U.S.C. §355(j)(2)(A)(vii). If a patentee files suit, approval of the generic's application to enter the market is automatically stayed for 30 months. *Id.* §355(j)(5)(B)(iii). After that time, a generic still involved in litigation can enter the market "at risk" of losing the suit and having to pay a subsequent damages judgment, though they rarely do.

²⁰¹ 35 U.S.C. §271(e)(2).

²⁰² *Tegal Corp. v. Tokyo Electron Corp.*, 257 F.3d 1331, 1340 (Fed. Cir. 2001); *In re Tech. Licensing Corp.*, 423 F.3d 1286 (Fed. Cir. 2005).

²⁰³ Indeed, despite *Lockwood*, even when a damages remedy is originally available but later barred, unpublished Federal Circuit decisions have found no right to a jury trial. See *In re Impax Labs, Inc.*, 171 F. Appx. 839 (Fed. Cir. 2006) (unpub.).

²⁰⁴ 28 U.S.C. §1498.

²⁰⁵ 28 U.S.C. §171 et seq.

available.²⁰⁶ In at least one instance, therefore, the law has refused to recognize any right to jury trial on patent validity even in a court action with damages at stake.

A final limitation on the right to jury trial under Federal Circuit precedent is the law-fact distinction. Even at common law in England, questions of law were reserved for the judge. The same is true in federal court today. And many of the most important questions of patent validity, including patentable subject matter, on sale bar, obviousness, and enablement, are questions of law, not fact.²⁰⁷ Justice Breyer's concurrence in *Microsoft Corp. v. i4i LLC* emphasizes this point in arguing that the clear and convincing evidence standard does not apply to those legal questions.²⁰⁸ Neither, presumably, would any Seventh Amendment right to a jury trial. Indeed, in 2012, the Federal Circuit held that whether a defendant's infringement of a patent was willful was a question of law to be decided in the final instance by a judge, even though resolving that question required deciding whether the defendant's invalidity defense was reasonable.²⁰⁹ The Federal Circuit observed that many validity disputes were ultimately questions of law, not fact, even though willfulness as a whole is a question of fact. The court concluded that judges, not juries, were best positioned to evaluate the reasonableness of a validity defense. It then suggested a hybrid reminiscent of pre-1995 practice:

²⁰⁶ *Id.*

²⁰⁷ *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17 (1966) (citing *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 155 (1950) (Douglas, J., concurring)); *Dunbar v. Meyers*, 94 U.S. 187, 196 (1876) ("the question is now well settled, that the question whether the alleged improvement is or is not patentable, is, in an equity suit, a question for the court"). And in *Microsoft Corp. v. i4i LLC*, 131 S.Ct. 2238, 2242-43 (2011), the Court reiterated that "the ultimate question of patent validity is one of law."

²⁰⁸ *Microsoft Corp. v. i4i LLC*, 131 S.Ct. 2238 (Breyer, J., concurring).

²⁰⁹ *Bard Peripheral Vascular v. W.L. Gore & Assocs.*, 682 F.3d 1003 (Fed. Cir. 2012).

considering the objective prong of *Seagate*, the judge may when the defense is a question of fact or a mixed question of law and fact allow the jury to determine the underlying facts relevant to the defense in the first instance, for example, the questions of anticipation or obviousness. [However,] the ultimate legal question of whether a reasonable person would have considered there to be a high likelihood of infringement of a valid patent should always be decided as a matter of law by the judge.²¹⁰

While *Bard* by its terms applies only to validity determinations in a willfulness inquiry, the logic of giving the jury only the fact questions, not the ultimate legal issue, would seem to apply to validity disputes more generally.

III. The Future of the Patent Validity Jury Trial

A. Patents, Juries, and the Supreme Court

We have been in a holding pattern for nearly two decades since *Lockwood*. During that time, jury trials have become the norm in patent cases on ultimate questions of validity as well as infringement and damages issues. But the Supreme Court has never spoken on the issue,²¹¹ and the division on the Federal Circuit, coupled with the grant of *certiorari* in *Lockwood*, suggest that while patent lawyers and judges commonly assume there is a Seventh Amendment right to a jury trial, the legal support for such a right is far from airtight. The fact that the issue

²¹⁰ *Id.* at 1008.

²¹¹ Curiously, in a 1936 case involving a patent suit in the Court of Claims, the Supreme Court included dictum that “[v]alidity and infringement are ultimate facts on which depends the question of liability. In actions at law they are to be decided by the jury.” *United States v. Esnault-Pelterie*, 299 U.S. 201, 205 (1936). Nonetheless, the court went on to discuss the procedures in the court of claims, where the judge, not the jury, decides validity. *Id.* at 204 n.3. The Court offered no citation to support its statement, and did not discuss or consider the Seventh Amendment. The statement is all the more curious because it came after nearly 70 years of universal practice that judges, not juries, decided patent cases in the wake of the Patent Act of 1870.

Should the Court take the issue up, this isolated sentence is unlikely to be dispositive. As the Court put it this spring in refusing to rely on a single sentence of dictum, “[i]s the Court having once written dicta calling a tomato a vegetable bound to deny that it is a fruit forever after?” *Kirtsaeng v. John Wiley & Sons*, ___ U.S. ___ (March 18, 2013).

hasn't been resolved definitively in the last twenty years may have more to do with that assumption than with the settled nature of the law.

Were the Supreme Court to take the issue, however, it is far from clear that they would conclude there was such a right. And if they did, any such right would probably justify a more limited role for the jury than courts give it today.

The year after the *Lockwood* case fizzled, the Supreme Court decided its only foray into the Seventh Amendment and patent law. In *Markman v. Westview Instruments*,²¹² the issue was whether the construction of patent claims, which determines the scope of the patent, was an issue for the judge or the jury. The Court began by observing that "there is no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago."²¹³ But that did not resolve the question before the Court. Rather, it led to a second question:

whether a particular issue occurring within a jury trial (here the construction of a patent claim) is itself necessarily a jury issue, the guarantee being essential to preserve the right to a jury's resolution of the ultimate dispute.

. . . [T]he answer to the second question "must depend on whether the jury must shoulder this responsibility *as necessary to preserve the 'substance of the common-law right of trial by jury*. Only those incidents which are regarded as fundamental, as inherent in and of the essence of the system of trial by jury, are

²¹² 517 U.S. 370 (1996).

²¹³ *Id.* at 377. The Court's only other statement on patent jury trials and the Seventh Amendment came in *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 38-39 (1997), which presented an infringement question, not validity. The Court said:

Because resolution of whether, or how much of, the application of the doctrine of equivalents can be resolved by the court is not necessary for us to answer the question presented, we decline to take it up. The Federal Circuit held that it was for the jury to decide whether the accused process was equivalent to the claimed process. There was ample support in our prior cases for that holding....

Whether, if the issue were squarely presented to us, we would reach a different conclusion than did the Federal Circuit is not a question we need decide today.

Id.

placed beyond the reach of the legislature.” ’ ’ ’ *Tull v. United States, supra*, at 426, 107 S.Ct., at 1840 (citations omitted).²¹⁴

So even if infringement and damages are tried to a jury, it doesn’t follow under *Markman* that all issues must be tried to the jury. Rather, the question is whether those particular issues were tried to a jury at old English common law, and whether – even if so – the jury’s resolution of those issues is so central to the common law right that it must be preserved.

There are several reasons to doubt whether the Supreme Court will find a Seventh Amendment right to have a jury determine validity, particularly not the complete right *Lockwood* seems to envision. But the answer is likely to depend on the theory of the Seventh Amendment the Court adopts. Because the Seventh Amendment jurisprudence is, frankly, a bit of a muddle, I organize those reasons according to different theories under which the Seventh Amendment might be thought to apply.

- First, while the question is not free from doubt, I think the closest analogy to a modern invalidity claim in England before 1971 was not the personal defense that was occasionally raised based on an unclear specification or prior invention by another, but rather the writ of *scire facias*. Only a *scire facias* action could nullify a patent, as modern invalidity rulings do. After *Blonder-Tongue*, a modern invalidity proceeding has the practical effect of nullification, not merely a personal defense.

Scire facias was a legal action in England, albeit one brought in what is normally considered an equity court; juries were available if there were disputed issue of fact. But by 1836, U.S. law seemed to treat the nullification of a patent in a *scire facias*-style

²¹⁴ *Id.* at 377-78.

proceeding as a matter for the equity courts.²¹⁵ A Supreme Court concerned primarily with the law vs. equity distinction as it stood in England in 1791, as in *Tull v. United States*,²¹⁶ might look at a modern patent validity challenge as a legal action in which a jury would resolve a disputed issue of fact.

- Second, the decision to grant a patent today is done by an administrative agency, something that did not exist in England before 1791. The Supreme Court has generally taken the position that judges, not juries, review the decisions of administrative agencies, and has held that there is no constitutional right to jury review of agency decisions.²¹⁷ The fact that patent validity is now determined in the first instance by an administrative agency subject to the Administrative Procedure Act²¹⁸ is an important difference from English practice, one that – like the development of claim construction in *Markman* – makes modern patent validity look very different than those

²¹⁵ In *Markman*, the Court noted that its “formulations of the historical test do not deal with the possibility of conflict between actual English common-law practice and American assumptions about what that practice was, or between English and American practices at the relevant time.” 517 U.S. at n.3. The issue of patent validity presents just such a conflict. In the case of such a conflict, *Markman* suggests it is English, not early American, practice that controls:

Since Justice Story’s day, *United States v. Wonson*, 28 F. Cas. 745, 750 (No. 16,750) (CC Mass. 1812), we have understood that “[t]he right of trial by jury thus preserved is the right which existed under the English common law when the Amendment was adopted.” *Baltimore & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 657, 55 S.Ct. 890, 891, 79 L.Ed. 1636 (1935).

Id.

²¹⁶ *Tull v. United States*, 481 U.S. 412 (1987). For criticism of the law-equity focus, see, e.g., Doug Rendleman, *The Trial Judge’s Equitable Discretion Following eBay v. MercExchange*, 27 **Rev. Litig.** 63, 97 (2007) (“It would be salutary, I submit, for the profession to discard the nonfunctional terminology of separate legal and equitable discretion.”); Douglas Laycock, *The Triumph of Equity*, **L & Contemp. Probs.**, Summer 1993, at 53, 78 (the law-equity distinction is a “dysfunctional proxy for a series of functional choices”); Robert S. Stevens, *A Plea for the Extension of Equitable Principles and Remedies*, 41 **Cornell L.Q.** 351 (1956) (criticizing the law-equity distinction as merely historical).

²¹⁷ *Cox v. United States*, 332 U.S. 442, 453 (1947); *Atlas Roofing Co. v. OSHA*, 430 U.S. 442 (1977).

²¹⁸ *Dickinson v. Zurko*, 527 U.S. 150 (1999).

determinations that were made by juries centuries ago. The rise of administrative revocation proceedings like reexamination and post-grant opposition (first developed in 1980 and greatly expanded in 2011) points up the administrative law nature of the patent grant, further distinguishing it from older practice.²¹⁹ And courts – including even the Federal Circuit, a decade before *Lockwood* – have not been willing to hold that the Seventh Amendment undermines the ability of administrative agencies to review patents.²²⁰ To the contrary, the Federal Circuit has recently confirmed that the PTO has the power to revoke even patents juries have upheld as valid.²²¹ Thus, a Court focused on the role of the administrative state is likely to conclude that review of an agency decision – what a court must do when it evaluates patent validity today – is rather different than what law courts did under the old English patent registration system. And as *Markman* indicated, the fact that patent practice differs today from the pre-1791

²¹⁹ On the implications of integrating patent law into the broader field of administrative law, see Stuart Minor Benjamin and Arti K. Rai, *Who's Afraid of the APA? What the Patent System Can Learn From Administrative Law*, 95 **Geo. L.J.** 269, 315 (2007).

²²⁰ See, e.g., *PatLex Corp. v. Mossinghoff*, 758 F.3d 594, 604-05 (Fed. Cir. 1985) (upholding the constitutionality of the 1980 patent reexamination statute against a Seventh Amendment challenge):

The massive body of jurisprudence that suffered the evolution of administrative agencies in the federal government insisted on fair opportunity for judicial review and full respect for due process. When these standards are met, the Constitution does not require that we strike down statutes, otherwise having a reasonable legislative purpose, that invest administrative agencies with regulatory functions previously filled by judge and jury.

For an argument that *PatLex* was wrongly decided and that patents cannot be reexamined without running afoul of the Seventh Amendment, see Megan Keane, *Patent Reexamination and the Seventh Amendment*, 77 **Geo. Wash. L. Rev.** 1101 (2009).

²²¹ See, e.g., *In re Baxter Int'l*, 678 F.3d 1357 (Fed. Cir. 2012). Were the Court to hold that there is a Seventh Amendment right to a jury trial on ultimate issues of validity, this post-judicial reexamination might violate the second clause of the Seventh Amendment, which prevents the reexamination of jury verdicts “except in accordance with the rules of common law.”

English practice may mean that the historical test, while instructive, is not determinative.

- Third, the Court has long spoken of patents as rights affected with a public interest. In *Lear, Inc. v. Adkins*,²²² the Court held that state law could not bar a licensee from challenging the validity of the patent it had licensed. *Lear*'s conclusion reflected an affirmative policy judgment that invalidating weak patents served the public good. The Court emphasized "the important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain."²²³ Nor was *Lear* alone. The Court has repeatedly emphasized the importance of testing weak patents and protecting the public from monopolies based on invalid patents.²²⁴ The Court's discussion of the "public's paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct"²²⁵ suggests that the Court thinks of patent validity as a matter of public, not private rights. A Supreme Court focused on the public rights elements of Seventh Amendment jurisprudence is likely to conclude that patents are instruments of public, not private, policy to which the Seventh Amendment does not apply.

²²² 395 U.S. 653 (1969).

²²³ *Id.* at 670.

²²⁴ See, e.g., *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 137 (2007) (licensees have standing to challenge patent validity or infringement without repudiating their licenses); *United States v. Glaxo Group, Ltd.*, 410 U.S. 52, 57 (1973) (emphasizing "public interest in free competition" in concluding that licensee in antitrust suit "may attack the validity of the patent under which he is licensed even though he has agreed not to do so in his license"); *Blonder-Tongue Labs. v. Univ. of Illinois Found.*, 402 U.S. 313, 349-50 (1971) (allowing alleged infringer to claim estoppel where patent previously declared invalid); *Microsoft Corp. v. i4i LLP*, 131 S. Ct. 2238, 2253 (2011) (Breyer, J., concurring) (offering measures designed to "increase the likelihood that discoveries or inventions will not receive legal protection where none is due").

²²⁵ *Precision Instrument Corp. v. Automotive Maint. Mach. Co.*, 324 U.S. 806 (1945).

- Finally, the Supreme Court is likely to be sensitive to historical practice in the United States even if that practice is not strictly what the Constitution requires. If validity had always been tried to juries in the United States, we might reasonably expect the Court to be reluctant to upset that practice even if the evidence suggested that it wasn't required in England before 1791. But as Part II demonstrates, there is no such long tradition of juries deciding validity in the United States. In the early days of the Republic, juries sometimes decided validity issues, though equity courts did so as well, and nullity proceedings were brought only in equity. Further, for most of the last 150 years, including the time in which the modern requirements of validity were developed and applied, judges, not juries, decided those validity questions. And not until the last generation have juries begun deciding validity in a majority of cases or in circumstances that ended up nullifying the patent. A Court concerned with preserving a traditional right is unlikely to find that right to exist in a practice that was uncommon before 1978 and not truly prevalent until the late 1980s.

Thus, it seems to me plausible, though by no means certain, that the Supreme Court would find no Seventh Amendment right to have a jury decide patent validity as a general matter. The matter is likely to turn on how strongly the Court ties its jurisprudence to the English law-equity distinction. A Court that focuses on English law may well find a right to have juries decide validity questions; a Court that is focused on its own precedents, on the growth of the administrative state, or on the public interest in invalidating bad patents will not.

Even if the Court finds a Seventh Amendment right to have juries decide patent validity, I think it is quite likely that the scope of any such right would be far more circumscribed than current practice suggests, for two reasons.

First, many of the most important issues in a modern validity dispute did not exist at all in 1791, or existed at most in a very different form. In part because it had no claims, English patent practice had no doctrine of patentable subject matter, no statutory bars, no doctrine of obviousness, no doctrine of scope-related enablement, and only a limited notion of invalidity based on the prior art. In *Markman*, the Court focused on the absence of claim construction in England in finding that jury claim construction couldn't have been essential to the preservation of the common law right. Similarly, even if the Court were to find that individual validity defenses of the kind that existed in England before 1791 should be committed to the jury, it might well conclude that new and broader validity doctrines that developed in the nineteenth century after the rise of peripheral claiming were not sufficiently analogous to validity issues decided in the English law courts. That is particularly plausible given that American courts treated those new, broader issues as equitable in revocation proceedings starting with the 1836 Act. If so, whether the Court finds a jury trial right may well depend on whether they confront a prior inventor dispute or a dispute over adequate description (things English juries did sometimes decide) or instead a question of obviousness or breadth-related enablement. And a jury trial right that was limited to the sorts of validity decisions actually made in English common law would end up being fairly limited, particularly after 2011, when disputes over who is the first inventor have been removed from the law with the transition to a first-to-file

regime.²²⁶ So a court focused – like *Markman* – on the nature of the issue tried will not find a close analog to most modern validity disputes in English patent practice, suggesting that expansion of the jury’s role into these new areas is not required.

Second, many of these new validity doctrines are denominated questions of law, not fact. Indeed, the Supreme Court in the past has referred to patent validity as a whole as an ultimate question of law.²²⁷ Justices Breyer, Scalia, and Alito, concurring in *Microsoft Corp. v. i4i LLC* just two years ago, emphasized this point and its implications for the validity determination.²²⁸ Traditionally juries decide fact questions, not legal questions.²²⁹ While the law-fact distinction is controversial as a matter of Seventh Amendment jurisprudence,²³⁰ *Markman* referred to it, and Justice Breyer’s concurrence in *Microsoft* suggests that the Court thinks it matters for the way in which courts approach validity. It may be particularly

²²⁶ America Invents Act, 35 U.S.C. §102(a) (2011).

²²⁷ *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17 (1966) (citing *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 155 (1950) (Douglas, J., concurring)); *Dunbar v. Meyers*, 94 U.S. 187, 196 (1876) (“the question is now well settled, that the question whether the alleged improvement is or is not patentable, is, in an equity suit, a question for the court”). And in *Microsoft Corp. v. i4i LLC*, 131 S.Ct. 2238, 2242-43 (2011), the Court reiterated that “the ultimate question of patent validity is one of law.”

²²⁸ *Microsoft Corp. v. i4i LLC*, 131 S.Ct. 2238 (Breyer, J., concurring).

²²⁹ “We have also spoken of the line as one between issues of fact and law. See *Baltimore & Carolina Line*, *supra*, at 657, 55 S.Ct., at 891; see also *Ex parte Peterson*, *supra*, at 310, 40 S.Ct., at 546; *Walker v. New Mexico & Southern Pacific R. Co.*, *supra*, at 597, 17 S.Ct., at 422; but see *Pullman-Standard v. Swint*, 456 U.S. 273, 288, 102 S.Ct. 1781, 1789, 72 L.Ed.2d 66 (1982).” *Markman*, 517 U.S. at ____.

²³⁰ For criticism, see Leon Green, *Judge and Jury* 270 (1930); Ronald J. Allen & Michael S. Pardo, *The Myth of the Law-Fact Distinction*, 97 *Nw. U. L. Rev.* 1769, 1770 (2003); Weiner, *The Civil Jury Trial and the Law-Fact Distinction*, 54 *Calif. L. Rev.* 1867, 1932 (1966). For defense of the law-fact distinction, see, e.g., Richard D. Friedman, *Standards of Persuasion and the Distinction Between Fact and Law*, 86 *Nw. U. L. Rev.* 916, 917-19 (1992); Henry P. Monaghan, *Constitutional Fact Review*, 85 *Colum. L. Rev.* 229, 232-39 (1985); Eileen M. Herlihy, *Appellate Review of Patent Claim Construction: Should the Federal Circuit Be Its Own Lexicographer in Matters Related to the Seventh Amendment?*, 15 *Mich. Tel. & Tech. L. Rev.* 469, 504 (2009). Juries sometimes offer verdicts on legal questions, though they are advisory verdicts. Similarly, judges can and do determine facts in appropriate circumstances, as *Markman* indicates.

appropriate here, since the origin of *scire facias* actions in the Court of Chancery meant that juries and the law courts never saw patent validity challenges unless they presented factual rather than legal issues. And the Supreme Court has backed away from its strong holding in *Beacon Theatres*, holding in a subsequent case that in appropriate circumstances a district court sitting in equity can resolve facts that later bind a jury.²³¹ A Supreme Court attracted to the law-fact distinction, either in general or in the specific context of legal questions presented in English equity courts, will find that most consequential issues of patent validity today are questions of law, not fact.²³²

Even a Court that was unwilling to reject a jury trial right altogether is likely to be attracted to the idea that juries decide only traditional factual disputes, not newly-developed legal validity questions. That is particularly true because both the Seventh and Ninth Circuits took a version of that approach before the Federal Circuit was created. Indeed, even early Federal Circuit decisions seemed to assume that was the rule. The Federal Circuit has in the last two decades created its own practice of sending the ultimate question of validity to the jury, largely by default. That approach departs from both historical practice and the way the regional circuits had treated the question. Recent history has not been kind to such Federal

²³¹ *Parklane Hosiery Co. v. Shore*, 429 U.S. 322, 333-36 (1979). The court noted that common law courts at the time of the founding would defer to prior determinations of factual issues by equity courts. *See, e.g.,* *Hopkins v. Lee*, 19 U.S. (6 Wheat.) 109 (1821); *Smith v. Kernochen*, 48 U.S. (7 How.) 198, 217–218 (1849); *Brady v. Daly*, 175 U.S. 148, 158–159 (1899); David L. Shapiro & Daniel R. Coquillette, *The Fetish of Jury Trial in Civil Cases: A Comment on Rachal v. Hill*, 85 *Harv. L. Rev.* 442, 448–458 (1971).

²³² *Cf. Hanovia Chem. & Mfg. Co. v. David Buttrick Co.*, 127 F.2d 888, 890 (1st Cir. 1942) (“no general statement can be made concerning the classification of the broad question of patentable invention as either one of fact or as one of law.”).

Circuit insularity.²³³ When the Seventh Amendment issue is presented to the Court, it is likely to prove no exception. A jury would still have a role in validity under this more limited approach, but its role would be limited to resolving subsidiary factual disputes, not ultimate legal questions, and perhaps only the limited sorts of factual disputes of the kind English juries were actually likely to hear.²³⁴

B. Implications of Finding No Right to a Jury Trial

What would change if the Supreme Court concluded there was no Seventh Amendment right to a jury trial? At first blush, the answer might seem to be “quite a lot.” The empirical evidence is overwhelming that juries are far more likely than judges to hold patents valid.²³⁵ As a result, patentees very much want to get to a jury trial,²³⁶ and accused infringers very much want to resolve the case before trial. This has a variety of secondary effects on patent practice.

²³³ See, e.g., *Dickinson v. Zurko*, 527 U.S. 150 (1999) (reversing Federal Circuit decision that held the general rules of the Administrative Procedure Act don’t apply to patent law); *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 394 (2006) (reversing Federal Circuit decision adopting a rule that patentees were automatically entitled to injunctive relief, despite the general rules of equity); *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007) (reversing Federal Circuit decision setting an exclusive test for declaratory judgment jurisdiction that differed from the rules in other areas of law); *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986) (reversing Federal Circuit decision that patent validity rulings were exempt from Fed. R. Civ. P. 52(a)).

²³⁴ Cf. *Dennison*, 475 U.S. at 811 (holding that the appellate court in an obviousness case must defer to “the subsidiary determinations of the District Court, at the least”). For arguments that juries are properly limited to finding facts, not making normative legal decisions, see David S. Welkowitz, *Who Should Decide? Judges and Juries in Trademark Dilution Actions*, 63 *Mercer L. Rev.* 429 (2012); Rishi S. Suthar, *What Jury? A New Approach to Obviousness After KSR v. Teleflex*, 18 *J. Intell. Prop. L.* 295 (2010).

²³⁵ See, e.g., John R. Allison & Mark A. Lemley, *Empirical Evidence on the Validity of Litigated Patents*, 26 *AIPLA Q.J.* 185 (1998) (juries find patents valid 67% of the time, while judges find validity 56% of the time in bench trials and 28% in pretrial motions); Kimberly A. Moore, *Judges, Juries, and Patent Cases – An Empirical Peek Inside the Black Box*, 99 *Mich. L. Rev.* 365 (2000); Lemley, Kendall & Martin, *supra* note __ (finding the strongest statistical predictor of validity in a trial to be trial by jury).

²³⁶ Patentees are overwhelmingly the ones to demand a jury trial. See Kimberly A. Moore, *Jury Demands – Who’s Asking?*, 17 *Berkeley Tech. L.J.* 847, 856 (2002).

Patentees file suit in jurisdictions where they are more likely to make it to trial.²³⁷ Accused infringers often rush to file declaratory judgments in order to choose jurisdictions that are more amenable to summary judgment.²³⁸ Accused infringers spend more time working up issues that are amenable to summary judgment than issues that will require them to try their case before a jury. Courts seeking to diminish the role of juries in patent cases have reclassified questions as legal rather than factual in part because the effect is to give those questions to the judge rather than the jury.²³⁹

If there was no right to jury trial on patent validity, juries would presumably hear only disputed claims about infringement and damages. But since *Markman*, very few infringement issues present genuine factual disputes, because all the real action is in determining the scope of the patent right, and the court has said that is a question for the judge, not the jury.²⁴⁰ That means that jury trials will primarily happen on the issue of damages. Since roughly 75% of patent cases are resolved against the patentee before we get to the damages phase,²⁴¹ we would see many fewer jury trials even leaving aside the likelihood that judges would reject more patent claims on the merits than juries do.

²³⁷ See Mark A. Lemley, *Where to File Your Patent Case*, 38 **AIPLA Q.J.** 401 (2010).

²³⁸ Fifteen percent of patent cases are declaratory judgment actions. Moore, *supra* note ___, at 858-59.

²³⁹ See, e.g., *Markman v. Westview Instruments*, 517 U.S. 370 (1996); John R. Allison & Mark A. Lemley, *The (Unnoticed) Demise of the Doctrine of Equivalents*, 59 **Stan. L. Rev.** 955 (2007).

²⁴⁰ See, e.g., *O2 Micro Int'l v. Beyond Innovation Tech. Co.*, 521 F.3d 1351 (Fed. Cir. 2008) (meta-claim construction – the interpretation of terms used to construe patent claims – is an issue for the judge, not the jury); *Advanced Fiber Technologies Trust v. J&L Fiber Services*, 674 F.3d 1365 (Fed. Cir. 2012) (judges can construe the construction of claims). After *O2 Micro*, “[w]hen the parties present a fundamental dispute regarding the scope of a claim term, it is the court's duty to resolve it.” 521 F.3d at 1362.

While the doctrine of equivalents may present an issue for the jury – an issue the Court left unresolved in *Warner-Jenkinson* – very few doctrine of equivalents cases survive today. See Allison & Lemley, *Unnoticed*, *supra* note __.

²⁴¹ Paul M. Janicke & LiLan Ren, *Who Wins Patent Infringement Cases?*, 34 **AIPLA Q.J.** 1 (2006).

Jury trials in patent cases are extraordinarily expensive; reducing their number would presumably result in both quicker and cheaper resolution of patent disputes.²⁴² And a jury trial focused on damages would encourage (or perhaps even require) that damages be separated from infringement and validity and tried separately. That would be desirable for a number of reasons. Not only would it save time and money in the cases where a damages trial proved unnecessary, but bifurcation would cause the parties to focus more attention than they currently do on the damages phase of the case, and likely produce better damages decisions.²⁴³

Eliminating jury trials would also allow a certain degree of judicial specialization. A number of commentators have proposed allowing some judges to specialize in patent matters. Some have worried that generalist judges may not be up to the task of handling a specialized and technical field like patent law, while others have pointed to the efficiency benefits of some limited specialization.²⁴⁴ Congress recently created the Patent Pilot Project to allow district

²⁴² AIPLA, Report of the Economic Survey 2011 (reporting median jury trial fees of \$5.5 million per side).

²⁴³ On the problems with damages calculation in current law, and ideas (including bifurcation) for how to address them, see Daralyn J. Durie & Mark A. Lemley, *A Structured Approach to Calculating Reasonable Royalties*, 14 **Lewis & Clark L. Rev.** 627 (2010).

Some might find it odd that juries would primarily have a role only on an issue – damages – that they are arguably least well suited to address. While I agree that if we were writing on a blank slate we might question the wisdom of giving patent damages issues to juries, the Seventh Amendment provenance of the jury as decider of patent cases involving claims for money damages is impeccable.

²⁴⁴ Kimberly A. Moore, *Are District Court Judges Equipped to Resolve Patent Cases?*, 15 **Harv. J. L. & Tech.** 1, 8-12 (2001); Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 **N.Y.U. L. Rev.** 1, 48 (1989):

A trial judge who has never read a technical document before is less likely to interpret it correctly, no matter how many expert witnesses are called to testify, than an appellate judge who has extensive experience in dealing with such matters. Thus, it seems somewhat peculiar to allow a layman's decision to stand on a technical issue . . . when the experienced judges of the [Federal Circuit], and the experts they employ, think that the finding is wrong, but not "clearly erroneous."

Others have not been so sanguine, arguing against too much specialization and pointing to the Federal Circuit as an example. See, e.g., Paul R Gugliuzza, *Rethinking Federal Circuit Jurisdiction*, 100 **Geo. L.J.** 1437 (2012); John F. Duffy & Craig Allen Nard, *Rethinking Patent Law's Uniformity Principle*, 101 **Nw. U.**

judges to specialize in patent cases to a limited extent.²⁴⁵ But if juries must make the substantive decisions at the end of the day, the benefits of any such specialization are necessarily limited. Remove juries from the process of deciding validity, and judges will gain more experience with patent cases, particularly in districts participating in the Patent Pilot Program. The reduced incentive for forum shopping may drive further specialization, as patent cases in a particular field naturally start to cluster in districts where innovation is common.²⁴⁶ And whether or not specialization improves substantive outcomes,²⁴⁷ it is likely to make them more predictable.

If you are a patent owner used to angling for a jury, this may seem a catastrophic outcome – both because you may be less likely to win your case and because for many patent trolls, the high cost and uncertainty of patent litigation are a good thing, driving defendants to

L. Rev. 1619 (2007). Notably, David Schwartz found that experienced patent judges fare no better at claim construction on appeal than do novices. David L. Schwartz, *Practice Makes Perfect? An Empirical Study of Claim Construction Reversal Rates in Patent Cases*, 107 **Mich. L. Rev.** 223 (2008).

For discussions of specialized courts more generally, see, e.g., Rochelle Cooper Dreyfuss, *Specialized Adjudication*, 1990 **BYU L. Rev.** 377, 410; Saran Vijay Damle, *Specialize the Judge, Not the Court: A Lesson from the German Constitutional Court*, 91 **Va. L. Rev.** 1267 (2005); Cf. Edward K Cheng, *The Myth of the Generalist Judge*, 61 **Stan. L. Rev.** 519 (2008) (noting that generalist judges already specialize to some extent). But see Daniel Meador, *A challenge to judicial architecture: Modifying the regional design of the U.S. Courts of Appeals*, 56 **U. Chi. L. Rev.** 603, 611-15 (1989) (arguing that the Federal Circuit is not a specialist court, and district judges aren't generalists; rather, they exist on a spectrum).

²⁴⁵ Pub. L. No. 111-349, 124 Stat. 367.

²⁴⁶ See Jeanne Fromer, *Patentography*, 85 **N.Y.U. L. Rev.** 1444 (2010) (proposing to end forum shopping in order to create a form of natural specialization in districts).

²⁴⁷ There is some evidence to suggest that it doesn't. See Mark A. Lemley & Jennifer Urban, *Does Familiarity Breed Contempt Among Judges Deciding Patent Cases?* (working paper 2013) (finding no relationship between the number of patent cases a judge has heard and the likelihood of ruling for the patentee). But many commentators have complained about using juries to decide patent cases. See, e.g., S. Leslie Misrock & F. Scott Kieff, *Latent Cures for Patent Pathology: Do Our Civil Juries Promote Science and the Useful Arts?* (unpublished manuscript 1996).

settle even weak cases.²⁴⁸ In fact, however, the practical implications may not be as immediate or as dramatic as patentees fear. First, the fact that there is no right to a jury trial on validity does not mean courts have no discretion to convene juries. As we have seen, some circuits convened advisory juries before 1982, while others convened juries to rule only on subsidiary factual issues.²⁴⁹ And juries have become the norm over the past thirty years, so that most federal judges cannot remember a time when they did not give validity issues to the jury. That practice may well continue even if the judge is the ultimate decision-maker on many validity issues. If judges regularly convene advisory or subsidiary-fact juries, and particularly if they defer to the findings of those juries (in practice if not in law), patentees may still push for jury trials on validity, and the desire for a favorable jury may still lead both to forum shopping and to more expensive trials. But at a minimum, the role of the jury will be much more constrained than it has been in recent years, because courts will no longer owe deference to those juries, except perhaps on specific factual issues. And over time, that lessened role may both empower judges to resolve more validity issues without trial and to hold smaller jury trials on specific issues divorced from the non-jury legal issues, much as they have done with respect to inequitable conduct or other equitable issues.

Second, how the patentee win rate would change in the absence of a jury is harder to predict with confidence than one might expect. Since juries find patents valid much more often

²⁴⁸ These “bottom feeder” patent trolls represent a significant fraction of all patent suits filed today. See, e.g., Colleen V. Chien, *Patent Trolls by the Numbers* (working paper 2013), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2233041; Mark A. Lemley & A. Douglas Melamed, *Missing the Forest for the Trolls*, __ **Colum. L. Rev.** __ (forthcoming 2014).

²⁴⁹ By contrast, it is less clear that courts have the power even to convene advisory juries on equitable issues. See *Braun v. Abbott Labs*, 124 F.3d 1419, 1423 (Fed. Cir. 1997) (raising but not deciding the issue, and citing conflicting authorities).

than judges, switching from juries to judges in validity determinations might lead to more patents held invalid. It is true that juries today rule for the patentee more often than do judges, but some of that may be due to selection effects. Certainly the low patentee win rate at summary judgment (28%) reflects both case selection – the weaker cases are weeded out before trial – and the asymmetry of the patent litigation process, in which the patentee needs to win every issue to prevail, while the defendant generally needs win only one.²⁵⁰ A closer analog are bench trials, since those are presumably cases that survived summary judgment. Jury trials are still significantly more patent-friendly than bench trials, though the numbers are much closer.²⁵¹ That result does not appear to be driven by the types of cases that are tried to a judge rather than a jury.²⁵² Nonetheless, outcomes of bench trials held because the patentee wasn't sophisticated enough to realize that juries favored patentees may be skewed for other reasons. And there may be other idiosyncratic reasons to think those cases are different than the norm. So while bench trials would likely lead to more invalidity rulings, the difference may not be as dramatic as the current numbers suggest.

A final implication may be to accelerate the existing trend towards separation of validity and infringement issues. A century ago, a United States patent trial resolved validity and infringement in an integrated proceeding. By contrast, in many other countries, like Germany, validity and infringement are entirely separate, with the courts resolving only infringement and

²⁵⁰ For discussion of this asymmetry, see Mark A. Lemley, *The Fractioning of Patent Law*, in **Intellectual Property and the Common Law** (Cambridge Univ. Press forthcoming 2013).

²⁵¹ Patentees win 55% of bench trials and 67% of jury trials on validity. Allison & Lemley, *supra* note __, at __.

²⁵² Lemley, Kendall and Martin find that the disparity between jury and bench trial plaintiff win rates is unaffected by taking out pharmaceutical ANDA cases, which have different structure and incentives than ordinary patent disputes because of the strong regulatory incentives for pharmaceutical patent owners to pursue even weak cases in order to delay generic entry. Lemley, Kendall & Martin, *supra* note __.

leaving validity review to the technical boards of appeal within the patent office.²⁵³ The U.S. system has been moving increasingly towards a bifurcated system as we vest more and more power in the PTO to consider the validity of issued patents and as the rise of *Markman* hearings and summary judgments encourage piecemeal adjudication of patent issues in court. Bifurcating validity and infringement is both good and bad. Specialization is generally desirable; the European system arguably produces more accurate evaluations of a patent's validity than would a lay jury. But bifurcation also raises the risk that a patent claim will be treated "like a nose of wax which may be turned and twisted in any direction,"²⁵⁴ with both parties urging inconsistent positions before different tribunals depending on whether the issue is validity or infringement.

If there is no Seventh Amendment right to a jury trial on validity, even if validity and infringement are not resolved in separate proceedings, it may become the norm to have them resolved on summary judgment or after issue-specific evidentiary hearings, only a few of which will involve a jury. While doing so might at first glance look like a further separation, in fact resolving these issues pretrial may have the opposite effect. By uniting both infringement and validity with *Markman* hearings, pre-trial resolution of validity issues may make it less, not more, likely that parties and courts end up taking inconsistent positions on the scope of the patent.

²⁵³ See, e.g., James Pooley & Vicki Huang, *Multi-national Patent Litigation: Management of Discovery and Settlement Issues and the Role of the Judiciary*, 22 **Fordham Intell. Prop., Med. & Ent. L.J.** 45, 48-51 (2011) (discussing Germany and Japan's bifurcated patent litigation systems, under which infringement claims are tried to a court while validity defenses are tried to a special board at the patent office).

²⁵⁴ *White v. Dunbar*, 119 U.S. 47, 51 (1886).

Removing the jury from patent validity determinations – or circumscribing its role – would work a major change in modern patent litigation. But it would by no means spell the death knell for patentees or patent enforcement. After all, the industry that relies most on patents, and where they seem to do the most good, is the pharmaceutical industry.²⁵⁵ And pharmaceutical patent cases are virtually never tried before juries because they rarely involve a claim for damages.²⁵⁶ As the pharmaceutical example suggests, a patent system can not only survive but flourish without jury trials. True, there are many differences between pharmaceutical patent cases and other patent suits. But if nothing else the pharmaceutical experience demonstrates that judges can fairly evaluate the validity of patents.

C. Implications of a Seventh Amendment Right to a Jury Trial on Validity

What if there is a broad Seventh Amendment right to have a jury decide patent validity, as the Federal Circuit held in *Lockwood*? While ordinary patent litigation wouldn't change, in fact I think that taking seriously the idea of Seventh Amendment right to decide all validity questions would have some significant and underappreciated implications for patent practice. To find such a broad right, the Supreme Court would have to conclude that the question of validity itself belonged before a jury, regardless whether the question was one of law or fact, regardless whether the jury was reviewing the decision of an administrative agency, and

²⁵⁵ See James Bessen & Michael Meurer, **Patent Failure: How Judges, Bureaucrats, and Lawyers Put Innovation at Risk** (2008) (arguing that the patent system works in pharmaceuticals and fails elsewhere); Dan L. Burk & Mark A. Lemley, **The Patent Crisis and How the Courts Can Solve It** (2009) (discussing how pharmaceutical patent issues are very different than those other industries face).

²⁵⁶ See *supra* note ___. Indeed, in unpublished decisions the Federal Circuit has rejected a Seventh Amendment right to a jury trial even when the pharmaceutical patentee asks for future damages from expected entry at risk, as opposed to past damages. *In re Apotex, Inc.*, 49 Fed. Appx. 902, 903 (Fed. Cir. 2002) (unpub.).

regardless of the legal or equitable nature of the remedy. For the history I discuss in Part I blows up the myth that patent issues were tried to juries only if damages were at issue. Both equitable infringement suits in Chancery and *scire facias* actions were referred to juries to resolve fact disputes, despite the fact that neither involved claims for damages.

As noted in the last Part, there are a number of circumstances today in which we decide validity in a way that will bind patentees without giving either party a jury trial right, including ITC exclusion proceedings, pharmaceutical ANDA suits, reexamination proceedings, and suits against the government. Some of those are justified on the theory that the cases would traditionally have been brought in equity because they don't involve a claim for money damages. But that theory doesn't square with English practice. As we saw in Part I, the English Chancery courts transferred issues of validity to the King's Bench for trial in *scire facias* actions. And even when patentees sued in equity, seeking injunctive relief, the Court of Chancery would grant only a temporary injunction, waiting on the law court to assess the patent before granting more permanent relief. So if the Court finds a Seventh Amendment right to a jury trial based on the traditional English law-equity distinction, that right will extend to cases in which a plaintiff only seeks injunctive relief, such as pharmaceutical ANDA suits and post-*MedImmune* validity challenges.

The rule that cases against the Federal government are tried to judges (article I judges, no less), not juries, is also arguably problematic under a broad reading of the Seventh Amendment. So too is the current Federal Circuit rule that allows district courts to decide

inequitable conduct in a bench trial before ruling on invalidity.²⁵⁷ Because inequitable conduct now requires proof of patent invalidity,²⁵⁸ *Beacon Theatres* means that if there is a right to have a jury decide invalidity, *Agfa* is wrong and judges can never decide inequitable conduct without waiting for and then deferring to a jury's determination of invalidity. And we even might have to rethink the idea that a reexamination proceeding at the PTO can trump a judicial finding of validity.²⁵⁹

Second, a strong constitutional right to have juries decide validity would require us to rethink either our commitment to the idea that many patent validity issues are legal, not factual, questions, or our more general commitment to the whole idea of the law-fact distinction. If juries are required to decide things that we have traditionally thought of as legal, we need to reconsider our traditional ideas of what it is that juries have the power to decide, and with it the question of what deference appellate courts owe to district court decisions.²⁶⁰

Finally, for the Court to find a constitutional right to decide validity it would have to overrule or at least dramatically limit *Cox v. United States*. Doing so will open up the idea that jury trials are appropriate in other areas of administrative law, with significant implications for administrative law and for a variety of substantive disciplines where that is not the norm, ranging from the Food and Drug Administration to the Securities and Exchange Commission.

²⁵⁷ *Agfa Corp. v. Creo Prods., Inc.*, 451 F.3d 1366 (Fed. Cir. 2006).

²⁵⁸ *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276, 1292-93 (Fed. Cir. 2011) (en banc).

²⁵⁹ *See, e.g., In re Baxter Intern.*, 678 F.3d 1357 (Fed. Cir. 2012); *In re Construction Equip. Co.*, 665 F.3d 1254 (Fed. Cir. 2011).

²⁶⁰ The Federal Circuit has been criticized for usurping the district court's factfinding role. William C. Rooklidge & Mathew F. Weil, *Judicial Hyperactivity: The Federal Circuit's Discomfort with Its Appellate Role*, 15 **Berkeley Tech. L.J.** 725, 726 (2000); Ted L. Field, *"Judicial Hyperactivity" in the Federal Circuit: An Empirical Study*, 46 **U.S.F. L. Rev.** 721 (2012) (finding that the Federal Circuit reverses district courts more often than other circuits. The court has recently agreed to reconsider its refusal to defer in one important area: claim construction. *Lighting Ballast v. Philips Elecs.*, ___ F.3d ___ (Fed. Cir. 2013).

IV. Conclusion

For the past thirty-five years, patent lawyers and courts have taken for granted that juries decide whether patents are valid, and (at least implicitly) assumed that there was a constitutional right to have juries do so. But in fact the dominant role of the jury in modern patent law is an historical anomaly. For most of U.S. history, juries did not decide patent validity. And English practice before 1791 – the key question under the Seventh Amendment – is ambiguous. When English courts considered invalidating a patent altogether, they did so in the Chancery courts, referring validity questions to the jury only when there was a particular factual dispute. While there are reasonable arguments on both sides, it is likely that the Supreme Court would not find a Seventh Amendment right to have juries decide whether patents are valid, at least not the broad right to decide ultimate legal questions that patent lawyers seem to assume today. And if the Court did find such a right, it would significantly change a number of aspects of patent practice, requiring juries in cases and on issues that now lack them.

A ruling that there was no right to have juries determine validity would also significantly change patent practice, affecting both the efficiency of patent litigation and probably the outcome. Some of those changes will be good, others bad, while other changes (like invalidating more patents) may be good or bad depending on one's perspective. But removing juries from validity determinations wouldn't cause the sky to fall on the patent system, which operated for over a century without jury trials at all. And whether or not it makes sense as a policy matter for juries to decide patent validity, it is not clear the Constitution requires it.